



Weatherization Assistance Program

Policy and Procedures Manual

Indiana Housing and Community Development Authority

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SECTION 100

ELIGIBILITY AND APPLICATION

101 ELIGIBILITY DETERMINATION

The Weatherization Sub-Grantee staff, or its subcontractor, is obligated to review and determine WAP eligibility status for anyone requesting an application. Clients may not be denied the right to submit a WAP application by the Weatherization Sub-Grantee or any of its subcontractors.

A dwelling unit shall be eligible for Weatherization assistance if it is occupied by a family unit:

- Whose income is at or below 200 percent of the poverty level determined in accordance with criteria established by the Director of Office of Management and Budget* and as approved by the Department of Health and Human Services, per the American Recovery and Reinvestment Act of 2009, Public Law 111-005. The ARRA Public Law continues to apply to DOE funded grants.
- Which contains a member who has received cash assistance payments during the twelve-month period under Title IV and XVI of the Social Security Act, Pub. L. No. 88-452, 42 U.S.C. § 2701 et seq. or applicable State or local law.
- **Who is eligible for assistance under the Low Income Home Energy Assistance Act of 1981, per 10 CFR 440.22 (a) (3).** (Indiana Weatherization's primary eligibility criteria per approved State Plan)
(NOTE: LIHEAP WX grant clients must adhere to the HHS requirement of 150% of the current OMB poverty income)

Denied EAP applications will be referred for eligibility under 10 CFR 440.22 (a) (1) and (2), as noted above. If client is ineligible under the cited regulation, refer to section 103 for denial procedures and notice to appeal.

*Each year newly approved poverty guidelines for the program year are issued towards the beginning of the calendar year. To be consistent with the Energy Assistance Program (EAP) intake, Weatherization and EAP will both update their income eligibility guidelines on June 1, 2013 (using Federal Register/Volume 78, Number 16/Thursday, January 24, 2013, on pages 5182-5183 and WPN 13-3).

102 DOCUMENTING ELIGIBILITY

IHCDA requires that all sub-grantees ensure client eligibility during the period in which services are delivered. Clients which are deemed eligible as a result of their LIHEAP eligibility will have their most recent application date transferred into their IWAP record upon import. Sub-grantees must ensure services are delivered within one year of the application date or the client's income must be re-verified. Files of clients not categorically eligible through the Energy Assistance Program must contain a copy of the application and income documentation. Guidelines for household income calculation are found in the most current version of the Indiana Energy Assistance Program Operations Manual <http://www.in.gov/myihcda/2359.htm> or DOE Weatherization Program Notice 13-3, dated March 15, 2013.

Households that are categorically eligible have several of the required items in their EAP file. Information, such as income verification, does not need to be duplicated. During monitoring, IHCDA reserves the right to inspect client income verification to insure client eligibility.

In the following circumstances, **exceptions** to the required documentation policy will be permitted:

1. Shelters – An application and eligibility determination is not required for shelters.
 - Agencies should determine the number of countable completions based on shelter regulations detailing that a weatherization provider may count each 800 square feet of the shelter as a dwelling unit or each floor level as one unit, as noted in 10 CFR 440.22(f).
 - An individual file should be kept for the shelter job.
 - For IWAP reporting purposes, each completion should be counted as “Data Unavailable” when reporting income categories and demographics. The box “Demographics Not Available” must be checked at the bottom of the IWAP application page.
2. Multi-Unit Buildings – In the weatherization of multi-unit buildings, DOE regulations require that 66% (50% for duplexes and four unit buildings) of dwelling units in the building must be eligible households or will become eligible within 180 days as referenced in 10 CFR 440.22(b).
 - An application and eligibility determination are, therefore, not required for non-eligible or empty units.
 - For IWAP reporting purposes, each non-eligible or empty unit should be counted as “Data Unavailable” when reporting income categories and demographics. The box “Demographics Not Available” must be checked at the bottom of the IWAP application page.
 - For reporting purposes, each non-eligible or empty unit should be listed as “Data Unavailable” when reporting income categories and demographics. To ensure that the percentage requirement is met, a separate list must be maintained, indication the eligible and non-eligible or empty units.

- Sub-grantees should also note that when weatherizing multi-unit building, the amount to be spent on the building is determined by the number of income eligible units. (Example: When weatherizing a 20 unit building, if 15 of the units are eligible, you are only allowed \$75,000 (15 x \$5,000 (average base cost per home)) for the 20 units.)
 - In order to weatherize an apartment, all units in the affected building must be weatherized.
 - Effective May 1, 2013, sub-grantees must obtain permission from IHCD prior to proceeding to weatherize multi-dwelling units or apartments where five (5) or more units are contained within one building.
 - More information for weatherizing multi-family dwellings is located within DOE regulations on WAPTAC in 10 CFR 440 (Federal Regulations) and Weatherization Program Notice (WPN) 11-09.
3. A home that is weatherized while being renovated by a state or local government program must have a client file completed within 60 days of the completion of the work. The file must contain all proper verification documents to ensure that the client meets all eligibility criteria.

103 APPEALS PROCEDURE

When a Weatherization Sub-Grantee determines that a household is ineligible, the sub-grantee must provide a written denial to the client. Within ten working days of the application an ineligible household must be notified of the reason(s) for the denial and advised of their right to appeal the decision to the next level. Weatherization sub-grantees must retain in the household file a copy of the denial letter with the appeal procedure that was sent to the client.

IHCD recommends that the **Applicant Notification Form** found in *Appendix Q* be the basis of any form created by the Weatherization sub-grantee to notify weatherization clients of their denial for services.

The right to appeal information provided to any denied household must contain the following three processes:

1. Local review involves the written policy of each Weatherization Sub-Grantee Program Manager for handling client complaints or appeals of program decisions. The final step in the local process should involve a written determination by the sub-grantee's Executive Director.
2. State review occurs when a denied weatherization applicant is not satisfied with the local sub-grantee's determination. The applicant appeal must be made in writing within thirty days of the local denial, to the State Construction Review Manager. All pertinent material from the case will be requested from the Weatherization Sub-Grantee by IHCD personnel in order to make a determination.

3. Formal Appeal is available to an applicant who is dissatisfied with the preceding decisions. The Applicant may submit a written request for a formal hearing, within fifteen days of the date of the state notification. The request, which will be provided with state notification to the applicant, is to be sent to IHCD's **Chief Community Programs Officer**.

IHCDA's legal staff shall designate a hearing officer who has not participated in any prior decision with regard to the applicant. The hearing officer will provide notice of the date, time and location of the hearing within thirty days of the written request. The hearing may be conducted in person, or by telephone.

The applicant shall have the opportunity to review all documentation submitted to IHCD.

104 FEDERAL PROGRAM REGULATIONS AND GUIDANCE

All federal program regulations and guidance can be found at www.waptac.org under "Rules & Guidance, Program Guidance" and "Rules & Guidance, Rules and Regulations". Additional historical facts, training and technical assistance, health and safety, energy education, conference presentations and webinars and public relations can be found under various topics. If Indiana has specifically issued Program Guidance, these notices can be found on the weatherization website at <http://www.in.gov/myihcda/2351.htm>

Each new program year, Department of Energy issues annual guidance that governs the upcoming program year. See www.waptac.org under Weatherization Program Notice Program Year-1 (ie WPN 13-1 for program year 2013). Traditionally this guidance is issued in December before the program year starts. A second WPN PY-2 lists the program year federal allocations and usually follows a week or two after WPN PY-1. In 2013, WPN 13-1 was issued February 14, 2013. **WPN 13-2 was issued on June 21, 2013.**

SECTION 200

CLIENT FILES

201 WEATHERIZATION PROGRAM MANAGEMENT

All weatherization work must follow Department of Energy rules and regulations unless exceptions are specifically stated in the policy manual, grant agreement and/or program guidance. Several exceptions are listed in section 500. Any deviation from DOE guidelines, Indiana Policy and Procedures Manual or the Indiana Field Guide must have written approval from the **Community Programs Manager** prior to working on a unit. This approval only applies to the unit for which the request was made and must be printed and **placed in the client file**.

202 REQUIRED FORMS

Client files must be kept in order to verify the work that has been completed and to track expenditures on each house. Sub-grantees will be required to report completions and document which funding sources were used when more than one funding stream is utilized on any one dwelling. The documentation should detail the dollar amount of DOE and HHS (**LIHEAP**) grant funds spent on each home.

The file must also contain the paperwork necessary to document that proper procedures were followed in the performance of the work. Some forms, such as the application, are required in all client records. Other documents, such as the rental agreement, will only be contained in the files where applicable.

Required forms include:

- A client's **Energy Programs Application (EAP)** application must be active at the time the weatherization services are provided and at the time of final inspection. An application is considered active for a twelve month period starting from the date of the approved application. If the version in IWAP is the most current, no paper copy is required. If a client has an expired application in IWAP and recently reapplied, a current paper copy is required in the client file. A paper copy from IWAP may be requested by IHCD program monitors when reviewing client files. *Appendix A – EAP Application*.
- **Income documentation** verifying total household income for the twelve months prior to application should be available. If categorically eligible under EAP, income information does not need to be copied for the weatherization file. For the purposes of monitoring, EAP files

must be made available. Sub-grantees must use a form or method of income calculation that is consistent with guidelines as written in the most current version of the Indiana Energy Assistance Program Operations Manual, <http://www.in.gov/myihcda/2359.htm>. Because files are subject to review, both by state and federal agencies, it is imperative that case files accurately reflect the computation of household income.

- The **Zero Income Claimant Form** must be used to verify zero income for **each** household resident, age 18 and over, that claims no income for the 12 months prior to the application date. In addition to a completed form, each zero income claimant must have an attached wage inquiry or income summary from the local Workforce Development office. *Appendix R – Zero Income Verification Form*
 - According to the U.S. Department of Energy WPN 13-3 under Section D Proof of Eligibility #3 Self Certification, zero income claimants must have a *notarized* affidavit claiming zero income for Low Income Weatherization Assistance. Starting on November 5, 2012 IHCD requires a notarized Zero Income Claimant Form to be in each client's file who claims zero income. This form will be implemented in both the EAP and Weatherization programs on the same date. All agencies must use this form with all EAP appointments starting November 5, 2012 and new mail applications sent on or after November 5, 2012. This form is not required for mail applications processed prior to this date.
 - Your agency may notarize the form at the time of the EAP Application. Incorporating the notary into the EAP application process is highly recommended, but not required. The EAP Program Manager may notarize the form if he or she is the agency's notary, even if the Program Manager processed the file.
 - The form may be signed by the Zero Income Claimant **or** the person who comes into your office to complete the application on behalf of the household. If the signatory is not the zero income claimant, the person must be listed as a household resident on the EAP application. The EAP program does not require a notarized signature to process the file. This is a Dept. of Energy provision.
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- **Applicant Deferral Notification Letter** mailed to deferred weatherization clients must be included in each weatherization file. The notification should detail the process described in *Section 103* of the manual. Appendix Q should be your base with your specific sub-grantee contact names and addresses and reasons for the deferral added. *Appendix Q – Applicant Notification Letter*
 - **Landlord/Rental Agreement** detailing Weatherization Sub-grantee's rental policy, including minimum landlord contributions. The form must be signed by the landlord, client, and agency personnel.
 - **Work Order** must be contained in each case file and must be specific to the housing type. The completed Work Order will contain relevant information about the work that was completed

on the home. This **must** include the auditors findings and diagnostics results used to guide weatherization work. There are separate forms for site built homes and mobile homes. *Appendix I – Work Orders.*

- **Certificate of Insulation** is a certificate from the installing contractor documenting the specifics about the amount, type and location of all insulation installed. This certificate must be posted in an appropriate location within the home [attic, near water heater, etc.] and a copy placed in the client file. *Appendix S – Certificate of Insulation*
- **Invoices for Work Completed** must be included in the client files. Invoices must be company invoices or on company letterhead and must include a detailed breakdown by material and labor and listing the date the work was performed.
- **Final Inspection Form** must contain the following information: the name of the client, the name and original signature of the auditor, the date of the inspection, original client signature, and a statement that the home is passing or failing the inspection. There should also be adequate space for comments on the quality of the work or other aspects of the job.

If the client does not sign the final inspection form, the Weatherization Sub-Grantee must document the reason for the absence of the client signature. For example, a client who rents a home and moves before the final inspection can be completed and is therefore unavailable to sign the final inspection form. The Weatherization Sub-Grantee **must** document three written attempts to reach the client for signature, such as correspondence sent to forwarding address. If the client will not sign due to a lack of satisfaction with the work, the auditor should note client concerns. If work is done in a home and the auditor cannot return to conduct an inspection at any time in the process, the sub-grantee must take the aforementioned steps to contact the client. If the client is unreachable, the sub-grantee must contact the **Community Programs Manager for Weatherization** at IHCD and request approval for an alternate completion.

- **Heating System Form** should be filled out during the initial inspection of the system on every home. Each section needs to be signed off and dated by the appropriate employee/contractor. The appropriate document should be utilized depending on heating system type. Forms are available for Natural Gas Furnaces (App. K), Boilers (See www.incap.org), Heat Pumps (App. P), Oil Furnaces (See www.incap.org) and Electric Heating (App. O) and may be found in the Appendices or at <http://www.incap.org/wxforms.html>
- **Furnace Sizing Form** is to determine the proper heat load calculation when a new furnace is to be installed in the home. Also referred to as a Manual J. This form must be completed and placed in every file for a home in which a furnace is replaced. Forms may be found at <http://www.incap.org/wxforms.html>

- **New Furnace Installation Inspection Form** is to be used only when a new heating system has been installed. The purpose of this tool is for auditors to follow a step by step process to evaluate if the new heating system has been installed properly and is running efficiently. This document should be completed by both the individual installing the furnace and the sub-grantee inspector. The form must be complete, signed and dated by the sub-grantee inspector prior to any vendor payment. This form is not intended to be used as the test instrument during the final inspection of shell measures. The appropriate heating systems form should be utilized during the shell final inspection with all testing information being recorded in the appropriate column. *Appendix G – New Furnace Installation Inspection Form*
- **Gas Cook Stove Form** documents the working condition of this appliance, if it is present. Any information regarding the appliance condition, operation, or repair should be noted on this form. *Appendix J – Gas Cook Stove*. Note: CO readings **must** be recorded before and after any repair or replacement.
- **Gas Appliance Inspection Form** lists the procedure for surveying all gas appliances in a household for proper venting, carbon monoxide production, combustion efficiency, and safe operation. It must be completed at the initial inspection, interim inspection (when performed following repairs and clean & tune) and at final inspection. It must be signed and dated by the initial auditor, the person inspecting the repairs or performing the repairs and the final inspector. See *Appendix K – Gas Appliance Inspection Form*.
- **DSTO Form** is the Daily Safety Test Out Form to perform CAZ and gas appliance testing. The DSTO form must be onsite and filled out for each day shell work is performed on the unit. The most current form with multiple testing days can be found in the 2011 Field Guide or *Appendix N – Daily Safety Test Out Form*.
- **Client Consent Form** is a release of liability form that provides a waiver given by the occupant/owner of the dwelling to the local Weatherization sub-grantee providing weatherization services. All files **must** contain this signed form and initialed releases for lead, mold and smoke and carbon monoxide alarms have been incorporated. *Appendix H – Client Consent Form*.
- **Lead Paint Hazards Notification** requires that a weatherization client receive written explanation of the dangers of lead-based paint in the form of the EPA booklet, “Renovate Right: Important Lead Hazard Information for Families, Child Care Providers, and Schools.” This booklet can be found by going to the EPA’s website <http://www.epa.gov/lead/pubs/renovaterightbrochure.pdf> (July 2011). It is mandatory that the client receives the EPA booklet and initials the “Client Consent Form” in written acknowledgment of its receipt before weatherization work can begin on their home. *Appendix H*.

- **Mold Hazards Notification** requires that a weatherization client receive written notification of the potential health risks of mold and high moisture levels in the form of the EPA booklet, “Mold, Moisture, and Your Home.” This booklet can be obtained from EPA’s website <http://www.epa.gov/iedmold1/pdfs/moldguide.pdf> (Sept. 2010) This information has been combined with the Client Consent Form that is a release of liability and this notification must be signed before any work can begin on the home. *Appendix H*.
- **Indiana Moisture Assessment** lists moisture conditions that exist in the home at the time of initial audit before any weatherization measures were installed. These conditions must also be confirmed by the shell crew/contractor prior to performing their work. This form must be present in every file. *Appendix M – Moisture Assessment Findings Form*.
- **Fuel Switch Approval** documentation must be in the client’s file if applicable. A print out of the *approval email* from IHCD’s **Community Programs Manager** is the required documentation. A fuel switch must be requested prior to the start of work and must be requested for each fuel switch completed. Specific details required to perform a fuel switch can be found in Section 302.9.
- Pictures of Lead Safe Work Practices (LSWP) set-up on all homes built prior to 1978 where assumed or verified lead based paint will be disturbed.
- A complete list of all agency staff and contractors who have worked in the client’s home. This must include the full names of the auditor, crew members, contractor and contractor employees (both Shell and Mechanical). This information may be provided on the contractor invoice where appropriate.

PLEASE NOTE: If an employee of a sub-grantee is applying for assistance through the Weatherization program, a note must be included in the file indicating that the Executive Director has reviewed and approved their application.

SECTION 300

SERVICE PROVISION

301 CLIENT PRIORITIES

All weatherization work must follow Department of Energy rules and regulations unless exceptions are specifically stated in the policy manual, grant agreement and/or program guidance. Several exceptions are listed in section 500. Any deviation from DOE guidelines, Indiana Policy and Procedures Manual or the Indiana Field Guide must have written approval from the **Community Programs Manager** prior to working on a unit. This approval only applies to the unit the request was made for and must be printed and **placed** in the client file.

Once eligibility has been determined, an agency must follow its client priority policy. Each Weatherization Administrator will develop written procedures by which it assigns priority to eligible households. Federal regulation 10 CFR 440.16(b) states that priority is given to households:

- With inhabitants who are elderly (age 60 years and older) or disabled (as defined in Indiana Energy Assistance Program Operations Manual)
- With inhabitants who are children, which Indiana defines as people age 18 and under, and
- That are high residential energy users or that have a high energy burden

Agencies are encouraged to use the Energy Assistance Program's (EAP) matrix point system as a first-level sort for client service because matrix scores account for the aforementioned priority criteria. The matrix score already incorporates points for households who meet the priority criteria outlined above.

Agencies that choose to develop their own methods for prioritizing clients must still adhere to federal regulation 10 CFR 440.16(b), develop written procedures, and seek approval of the methodology from IHEDA.

302 OVERVIEW OF WEATHERIZATION ACTIVITIES

Each home that receives weatherization will have measures installed that are specific to the needs of the home; however, the process by which those measures are determined is standard across the state as **outlined within** the DOE-approved Waiver Audit Priority Lists.

In brief, the following activities must be completed on every home that is weatherized:

- Previously Weatherized – each unit must be evaluated prior to weatherization to verify that such activities have not taken place at the unit after September 30, 1994 for DOE funded weatherization. For LIHEAP funded weatherization, a unit is limited to re-weatherization for five years rather than the DOE date. See **Section 302.1 below** for verification procedures.
- Health and safety measures must be completed to ensure the security and safety of the occupants and weatherization personnel working in the client's home. Detailed health and safety guidelines are found in section 303 **of this document**.
- General heat waste reduction measures so as to increase the energy efficiency of the home and reduce the household's energy burden.
- Client energy education to provide the occupants with the information and tools they need to protect the weatherization materials installed and actively participate in saving energy in their homes.
- An initial audit to determine which weatherization measures are most appropriate for the client's home. The initial audit also includes a health and safety evaluation.
- An interim inspection is required to evaluate work performed on the mechanical systems if the home is a non-total electric home and received mechanical work beyond a clean and tune or if payment will be rendered prior to the final inspection.
- A final inspection to ensure that work was completed in a competent and professional manner, work was done in accordance with the approved procedures, that measures installed have yielded diagnostic improvements, and that all materials have been properly installed per 10 CFR 440.21.

For information on the technical aspects of each of the above activities, as well as the waiver audit priority lists, please refer to the *2011 Indiana Weatherization Field Guide*.

302.1 Previously Weatherized

Prior to any weatherization activity, a unit must be evaluated to determine whether previous weatherization services were provided after **September 30, 1994**. If services have been provided after this date with Department of Energy federal grant funds, the unit is not eligible for additional weatherization services.

The following actions must be taken on each unit prior to weatherization services to ensure that homes that have received weatherization services after September 30, 1994 are not re-weatherized:

1. Each client's address must be entered into IWAP to identify whether the client's home has been weatherized during or after 2000 (length of IWAP historical records);
2. Each client must be asked whether their home has been weatherized after September 30, 1994; and

3. A visual inspection of each home must be performed by an auditor to identify whether previous weatherization measures have been performed.

If there are no documented, verbal, visual, or physical evidence of previous weatherization services, the Sub-grantee may proceed with weatherization services on the unit.

If any of the above actions indicates or suspects that weatherization services have previously been rendered in a home, the Sub-grantee must check with the local agency that has historically provided weatherization services in the area to inquire about any records pertaining to services previously provided. Incumbent local agencies must cooperate with these inquiries from IHCD or from new weatherization service providers, and failure of any Sub-grantee to comply with any such request could result in immediate suspension of payments under its DOE award agreement or termination of its award agreement by IHCD.

302.2 Initial Audits

Prior to any weatherization activities, each eligible home must undergo a whole-home audit by a trained auditor (as defined in Section 600). Audits are conducted according to either the DOE-approved waiver audit priority list for site built homes or mobile homes or by performing a NEAT or MHEA run. (Refer to sections 302.6-302.7)

302.3 Interim Inspections

Each Weatherization Administrator is required to complete an interim inspection on every home that received mechanical repairs or replacements unless the repairs only consisted of a clean and tune or when a home is a total electric home. An interim inspection is an evaluation of the mechanical work completed and is required unless the work was completed by either a BPI certified Heating Technician (HT) or an Indiana Competent Retrofit Installer-Mechanical.

This interim inspection includes completing either the New Furnace Installation Inspection form or the post/interim column of the respective Heating System Evaluation form depending on measures performed. This evaluation must be completed by a trained auditor (as defined in Section 600) and must be completed prior to payment to the contractor.

If a job cannot be completed within 45 days of invoice, an interim inspection must be conducted to verify that the heating work is done correctly and so payment can meet the required deadline. It is recommended that the interim inspection, whenever possible, be done on the last day the mechanical contractor is in the home. This prevents trying to access the home without a contractor present to make any necessary changes or repairs.

302.4 Final Inspections

Each sub-grantee or its authorized representative is required to complete a pre- and post-inspection of each unit receiving weatherization. After January 2011, a dwelling unit may not be reported to DOE as completed until:

1. A final inspection has been performed in accordance with 10 CFR 440.16(g).
2. The final inspection has been performed by an Indiana Competent Final Inspector as outlined in Section 600.
3. It has been certified that the work has been completed in a workmanlike manner and in accordance with approved procedures in 10 CFR 440.21, and;
4. All materials have been properly installed.

In the event that a dwelling cannot be entered for final inspection, the client file must contain documentation of why the final inspection was not completed under normal circumstances and that an alternate final completion was conducted and approved, in writing, by IHCD. Multiple documented attempts must be made before the Weatherization Sub-grantee can request an alternate final completion. At a minimum, three verifiable attempts **must** be made to schedule a regular final inspection.

An alternate final completion will be allowable in rare circumstances and only if the Weatherization Sub-grantee can establish a justifiable reason for the request. This alternate final completion may include visual inspection with an infrared camera of the outside of the unit or other techniques as necessary to ensure that measures have been completed properly.

Before a dwelling with an alternate final completion can be counted as a completion, the Weatherization Sub-grantee must submit a written request for approval to the **Community Programs Manager for Weatherization**. The request should detail the specific circumstances relating to the issue and why access to the dwelling has been denied or is unavailable. All appropriate documentation, such as letters to the client, should be included with the request. IHCD staff will respond in writing to approve or deny the request for an alternate final completion or to request additional information. Until the written approval from IHCD is received, final claims cannot be submitted for the unit, nor can the dwelling be counted as a completion.

It is recommended that Weatherization Sub-grantees, whenever possible, complete the final inspection process on the last day that contractors or crews will be in the dwelling, as this eliminates the need to gain access to the unit after services have been rendered.

302.5 Client Energy Education

Client education is a mandatory measure under the audit priority list in Indiana. This process should be on-going throughout the weatherization process. It is also an opportunity to provide the tools for lasting energy savings. Indiana has a required energy education curriculum and IHCD provides numerous sources of information to agency personnel, including guides, brochures, and booklets to use as aides while conducting energy education. **Additional energy education material is available at WAPTAC.org. Energy education should be a part of providing the forms identified on the Client Consent form as well as the brochures given to the clients as addressed in Section 200.**

Knowledge about energy use and basic concepts behind energy conservation should be shared with a household during the initial client intake and continue throughout the weatherization process. This continuous process enables occupants to see how their home acts as a system, their effect on that system, and how measures performed will keep them safe and comfortable.

302.6 DOE-approved Waiver Audit Priority List

Indiana uses priority lists for both site-built and mobile homes based on measures specified by the National Energy Audit (NEAT) and the Manufactured Home Energy Audit (MHEA). The approved single family energy audit priority list is used for single family homes and 1-4 unit multi-family buildings. The approved mobile home priority list is used for mobile homes and manufactured housing. These priority lists are approved by DOE for the state of Indiana every five years for both audits. The most recent approval of the site-built and mobile home priority list was September 2011 with an approved amendment in April 2013. The current site-built and mobile home priority list will expire in September of 2016.

For clarification, DOE considers a modular home to be a mobile home. This means that MHEA would be the correct electronic audit tool for modular homes.

Each home must follow the designated measures on the respective priority list unless NEAT or MHEA is run on the home. Under no circumstances can a NEAT/MHEA run be mixed with the site built/mobile home priority list.

302.7 Single Family and Mobile Home Priority Lists

NEAT and/or MHEA can be used instead of the approved audit priority list in the following circumstances:

- When complicated housing stock make the audit priority list decision process unclear
- When an auditor is unsure how to prioritize measures needed in a home based upon budget constraints

Each home must follow the designated measures on the respective priority list unless NEAT or MHEA is run on the home. **Please reference Appendix I of this document for Indiana's approved priority lists.**

302.8 Multi-Family Audits

The following multi-family rules and regulations apply to both DOE and LIHEAP funded weatherization projects.

For energy audit purposes, DOE considers multi-family buildings to be those containing five dwelling units or more. For multi-family buildings containing less than 25 units (5-24 units), and

the units are individually heated or cooled, a NEAT run must be performed to determine the proper work scope.

In order to weatherize an apartment, all units in the affected building must be weatherized. In Indiana this includes duplexes, buildings with three or four units and buildings with five or more units.

Effective May 1, 2013, sub-grantees must obtain permission from IHCD prior to proceeding to weatherize multi-dwelling units or apartments where five (5) or more units are contained within one building.

For multi-family buildings containing 25 or more units per building, sub-grantees must contact IHCD to begin the process of submitting data to DOE for approval prior to the start of work on the project. IHCD will run a multi-family audit using Targeted Retrofit Energy Analysis Tool (TREAT) software and submit the results to DOE for approval. This process will include, at a minimum, obtaining the following information as required by DOE and TREAT:

- Brief narrative with photos describing the building(s), including its age, its condition, number of units, spatial orientation(s), heating/cooling type (central or distributed) and condition, and any other notable conditions.
- Building assessment sheets, such as lighting inventory; heating/cooling equipment and controls; air leakage determination; water usage information; combustion/CO/CAZ testing; insulation type and levels; base load analysis; windows and doors type and orientation; health and safety concerns, etc.
- Weatherization statement of work, project timeline, and projected costs (materials and labor), any landlord contributions or buy-down provisions.
- Complete copy of the audit showing all inputs/outputs (or engineering assessments and report) including a narrative describing the methodology used to assess the building(s) (i.e. was every building individually audited, or were a sample audited and the others assumed to be the same).
- **Effective May 1, 2013, sub-grantees must obtain permission from IHCD prior to proceeding to weatherize multi-dwelling units or apartments where five (5) or more units are contained within one building.**

More information for weatherizing multi-family dwelling is located within DOE regulations on WAPTAC, in 10 CFR 440 (Federal Regulations) and Weatherization Program Notice (WPN) 11-09.

302.9 Fuel Switching

According to the DOE fuel switching is only allowed on a case by case basis. DOE's WPN 10-1, Section 5.11 states: The DOE Weatherization Assistance Program does not permit the general practice of non-renewable fuel switching when replacing furnaces/appliances. However, DOE

does allow the changing or converting of a furnace/appliance using one fuel source to another on a limited, case-by-case basis only.

Sub-grantees interested or needing to perform a fuel switch for furnaces or water heaters must request permission from IHCD's **Community Programs Manager**. Each request must be submitted via e-mail and contain thorough documentation explaining why the fuel switch is deemed necessary. The fuel switch and subsequent work on the home cannot take place until written approval is issued by IHCD. IHCD's response, approved or disapproved, must be placed in the client file for future reference. **Requests for fuel switching should include, but not be limited to: the reason(s) the switch is needed, the current fuel source, the new or different fuel source, CAZ testing results, draft testing results where applicable and digital photographs where possible.**

The requirements outlined above apply to both DOE and LIHEAP funded Weatherization homes.

303 HEALTH AND SAFETY

It is imperative to ensure that weatherization activities do not cause or exacerbate health and safety problems for workers and clients. DOE-approved health and safety measures are undertaken to ensure that the pending weatherization work does not create dangerous living conditions for the client. Health and safety activities are remedied before, or because of, the installation of weatherization materials and must occur within reasonable cost boundaries that get the home to a condition where weatherization work can move forward or be completed.

Please reference the Indiana Weatherization Field Guide and DOE's Standard Work Specifications (SWS) for additional guidance on Health & Safety requirements.

According to 10 CFR Part 440, allowable energy related health and safety actions are those actions necessary to maintain the physical well being of both the client and/or weatherization worker where:

- Costs are reasonable as determined by DOE in accordance with the State's approved State Plan; AND
- The actions must be taken to effectively perform weatherization work; OR
- The actions are necessary as a result of weatherization work.

On their initial visit, energy auditors identify any hazards present in a home and determine whether the hazard poses a health danger to occupants, crews, or contractors. Homes where Health and Safety hazards are found that cannot be properly addressed within the scope of Weatherization funding will be deferred.

Indiana's Weatherization Assistance Program follows DOE's WPN 11-6 and WPN 11-6a to address Health and Safety issues.

303.1 Health and Safety Guidance

Health and safety issues must be remedied before, or because of, the installation of weatherization materials.

The following provisions apply to the health and safety issues listed further below, where applicable:

- In the case of replaced heating systems and water heaters, the replaced units will be disabled at the time of removal to prevent the appliance from being installed or used in a different location.
- Where hazards are identified, clients will be informed in writing of the hazards on the Moisture Assessment Form. A copy of the Moisture Assessment Form is kept in the client's file and is signed by the client, energy auditor and shell personnel.
- State and local codes or IHCD policy, whichever is most stringent, must be followed while installing health and safety measures.
- Crews and contractors installing health and safety measures must be trained per IHCD's Weatherization Training Competency as outlined in Section 600.

303.2 Allowable Actions, Testing, Client Education and Training

The following details specify Health and Safety systems and the approved State Plan method for allowable actions, testing, client education, and training.

303.2.1 Air Conditioning and Heating Systems

Action/Allowability:

"Red tagged", inoperable or inefficient heating systems replacement, repair, or installation is allowed with DOE and LIHEAP funds. IHCD does not allow the installation or replacement of air conditioning systems. Repairs to an air conditioning system may only be made when current operations of the AC system endanger the operation of the furnace. Repairs can be charged to either DOE Health & Safety or LIHEAP Mechanical. The sub-grantee will first determine whether repairs can effectively be made to the heating system to enable it to be operating safely and within IHCD standards, rather than require a replacement. Sub-grantees are allowed to replace heating systems in circumstances, as follows:

- A verifiable condition exists that allows combustion gases to enter the living environment. For example, a breach in the heat exchanger that allows combustion gases to mix with the air in the ductwork.

- An improper application of a non-sealed combustion furnace, installed in a mobile home. Mobile homes are required to have furnaces that draw their combustion air from outside the carriage. The installation of a furnace in mobile homes that is intended for use in site built homes is not allowed.
- Inefficient furnaces can be replaced when a NEAT or MHEA run shows the replacement to meet a SIR of 1 or greater. If NEAT or MHEA shows the furnace replacement to have a SIR of 1 or greater the cost of the furnace replacement can be charged to the DOE Base line item. In these instances the NEAT or MHEA run becomes the work order and must be followed for the home.

Before a new furnace is installed in a weatherization dwelling unit, the proper size of the furnace must be determined. Sub-grantees will determine the correct output size of the replacement furnace using Manual J heat load calculations or other appropriate methods.

The load calculations performed within NEAT or MHEA are not considered to yield proper furnace sizing criteria within Indiana's Weatherization Assistance Program.

Testing:

Health and Safety inspections **ensure** that the systems are present, operable, and performing. The health and safety inspection of combustion appliances, including heating systems, will include but not be limited to the following items:

- The rated and measured BTU input of each gas furnace.
- A complete electrical inspection of the furnace including proper grounding, polarity, wiring connections, fuse type and size, element amperage (electrical furnace), disconnect requirements and conduit requirements.
- An inspection of all gas lines in the home from the source to the gas appliances or line termination. This includes all fittings, connections, shut-off valves, gas valves, sediment traps and end caps.
- An inspection for spillage and a draft of the gas furnace and water heaters (Completion of the Indiana Gas Appliance Inspection Form).
- A visual inspection for flame interface.
- A test of the setting and operation of the high limit control switch.
- An evaluation of the adequacy of combustion air for combustion appliances.
- An **inspection ensuring** there are **no open returns or return air leakage within** the Combustion Appliance Zone.
- Carbon monoxide testing of all gas appliances.
- An inspection and replacement if necessary, of the furnace filter.
- Worst case draft test (Completion of the Daily Safety Test Out Form).
- ASHRAE 62.2 measurements and testing

Client Education:

Auditors will discuss and provide information on appropriate use and maintenance of heating systems.

Training:

Auditors receive extensive training in the evaluation of residential heating systems. IHEDA heating systems forms document the condition and testing results of the heating system and are required to be in every client file.

303.2.2 Appliances and Water Heaters

Action/Allowability:

Replacement of water heaters is allowed on a case-by-case basis. Replacement and installation of other appliances, including gas cook stoves, are not allowable DOE health and safety costs. Replacement of gas cook stoves is only allowable with LIHEAP funds and in following appropriate LIHEAP program rules. Repair and cleaning of water heaters, stoves and furnaces are allowed with DOE and LIHEAP funds.

Indiana's Weatherization Assistance Program justifies water heater replacement for the following reasons:

- Existing water heater is leaking beyond repair hindering the Weatherization process from proceeding and causing continuing and worsening moisture conditions in the home,
- Gas burner deficiencies, venting issues [draft], interior baffle issues, or a combination of such that renders the water heater beyond repair and a safety hazard to the household, and/or
- Carbon monoxide production above Indiana's standards that cannot be lowered by cleaning, adjusting or repairing

Sub-grantees are required to document the reasons for replacing the water heater in the client file.

Testing:

Sub-grantees will determine whether water heaters are performing safely. Combustion safety testing is required on all gas water heaters. The health and safety inspection of combustion appliances, including water heaters, includes the following items:

- An inspection of all gas lines in the home from the source to the gas appliances or line termination. This includes all fittings, connections, shut-off valves, gas valves, sediment traps and end caps.
- An inspection for spillage and draft of the gas furnace and water heater (Completion of the Indiana Gas Appliance Inspection Form).
- An evaluation of the adequacy of combustion air for combustion appliances.
- An inspection ensuring there are no open returns or return air duct leakage within the Combustion Appliance Zone.
- Carbon monoxide testing of all gas appliances.
- Check for a properly installed temperature and pressure relief valve on the water heater.
- Measurement and adjustment, if needed, of the water temperature.

- Worse case draft test. (Completion of Daily Safety Test Out Form as required)

Client Education:

Discuss and provide information on appropriate temperature setting, length of showers, use of low flow faucet aerators, low flow shower heads and proper maintenance of the water heater.

Training:

Auditors receive extensive training in the evaluation of combustion appliances, including water heaters. IHCDAs heating systems forms document the condition and testing results of all water heaters and are required to be in every client file.

303.2.3 Asbestos - in siding, walls, ceilings, etc.

Action/Allowability:

Removal, cutting or drilling of asbestos siding is not allowed. In homes where asbestos siding exists and exterior wall insulation is needed, IHCDAs recommends, where possible, insulating the walls from the interior of the home.

Testing:

Sampling and testing for asbestos may only be performed by Indiana licensed asbestos building inspectors.

Client Education:

Inform the client that suspected asbestos siding is present and how the presence of asbestos will affect the flow of Weatherization services.

Training:

Asbestos training is available at the Environmental Management Institute (EMI). Neither asbestos training nor certification is required by IHCDAs. As such, IHCDAs does not cover the cost for asbestos training. Basic knowledge of asbestos is covered within the scope of other Weatherization trainings offered through INCAA.

303.2.4 Asbestos - in vermiculite

Action/Allowability:

When vermiculite is present, unless testing determines otherwise, take precautionary measures as if it contains asbestos. Safe practices include, but are not limited to, utilizing the appropriate personal protective equipment, limiting dust production, limiting foot traffic from the attic to the home, wetting the area to be disturbed and limiting the amount of vermiculite disturbed. Where

blower door tests are performed, it is a best practice to perform pressurization instead of depressurization.

Testing:

Sampling and testing for asbestos may only be performed by Indiana licensed asbestos building inspectors.

Client Education:

Clients will be notified of the existence of vermiculite in the attic and basic precautions against disturbing the material.

Training:

Asbestos training is available at the Environmental Management Institute (EMI). Neither asbestos training nor certification is required by IHCD. As such IHCD does not cover the cost for asbestos training. Basic knowledge of asbestos in vermiculite is covered within the scope of other Weatherization trainings offered by INCA.

303.2.5 Asbestos - on pipes, furnaces, other small covered surfaces

Action/Allowability:

Auditors receive training within other courses offered at INCA instructing them on the appearance of asbestos tape and insulation. Upon finding these materials in homes the auditors should assume that these materials contain asbestos and use precautionary measures including, but not limited to, utilizing appropriate personal protective gear, limiting dust production and limiting disturbance of the material.

Testing:

Sampling and testing for asbestos may only be performed by Indiana licensed asbestos building inspectors.

Client Education:

Clients should be instructed not to disturb suspected asbestos containing material.

Training:

Asbestos training is performed at the Environmental Management Institute (EMI). Neither asbestos training nor certification is required by IHCD. As such, IHCD does not cover the cost for training. Basic knowledge of asbestos is covered within the scope of other Weatherization trainings offered by INCA.

303.2.6 Biological and Unsanitary Conditions - odors, mustiness, bacteria, viruses, raw sewage, rotting wood, etc.

Action/Allowability:

Biological and unsanitary conditions that cannot be remedied within reasonable Health and Safety expenditures will be reason for deferral.

Testing:

Auditors will conduct a sensory inspection for biological and unsanitary conditions during all inspections of the home.

Client Education:

Auditors will inform the client of observed conditions. Auditors will provide information on how to maintain a sanitary home and steps to correct deferral conditions where applicable.

Training:

Auditors receive training on how to recognize biological and unsanitary conditions and how to properly address these issues within the work scope development or deferral process.

303.2.7 Building Structure and Roofing

Action/Allowability:

Building rehabilitation is beyond the scope of the Weatherization Assistance Program. Homes with conditions that require more than incidental repairs will be deferred or repaired to a condition where weatherization can occur by using Owner Occupied Rehabilitation (OOR) funds when available. (See section 500). **When OOR funds are not available the sub-grantee shall make every effort to refer the client to other known funding sources for performance of the needed repairs.**

Testing:

Auditors will conduct a visual inspection of the building structure and roofing. Auditors will ensure that access to areas necessary for weatherization is safe for entry and performance of assessment, work, and inspection.

Client Education:

Auditors will notify clients of structurally compromised areas.

Training:

Auditors are trained on how to identify structural and roofing issues.

303.2.8 Code Compliance

Action/Allowability:

Correction of preexisting code compliance issues is not an allowable cost in areas other than where weatherization measures are installed. State and local (or jurisdiction having authority) codes must be followed while installing weatherization measures. Condemned properties and properties where "red tagged" health and safety conditions exist that cannot be corrected under this guidance should be deferred or repaired with OOR funds when available (see section 500).

When relocating a water heater, sub-grantees must reference State and local codes to determine if the work must be performed by a licensed plumber.

Testing:

Auditors will conduct a visual inspection for local code infractions or deficiencies.

Client Education:

Clients will be informed of observed code compliance issues.

Training:

Auditors are trained in how to determine what constitutes code compliance.

303.2.9 Combustion Gases

Action/Allowability:

All gas furnaces, space heaters, and water heaters must be properly vented to ensure all flue products exit the home. Flue systems must meet all code and IHCD requirements and be verified to vent properly by passing all IHCD required draft testing. Repair and/or replacement of vent systems are an allowable cost for DOE Health & Safety and LIHEAP Mechanical funding.

The sub-grantee may not continue with weatherization work, particularly air sealing the structure, until the flue products are appropriately vented away from the living area. Appropriately vented means that the vent system meets all code and IHCD requirements and is verified to vent by passing all IHCD required draft testing. In the case of a plugged or non-functioning vent on a combustion appliance, appropriate steps must be taken to repair or replace the vent system.

Testing:

All vent systems for gas furnaces, gas space heaters and gas water heaters will be visually inspected to verify code compliance and draft tested in accordance with IHCD regulations. These tests will require the following:

- Completing the Indiana Gas Appliance Inspection Form
- Completing the New Furnace Installation Inspection Form, where applicable

Client Education:

Auditors will inform clients that all gas furnaces have been tested and are working properly upon completion of the work.

Training:

Auditors receive extensive training in the evaluation of combustion appliances. All combustion appliances must be tested in accordance with IHCD requirements and the proper forms documenting test results placed in the client file.

303.2.10 Drainage - gutters, down spouts, extensions, flashing, sump pumps, landscape, etc.

Action/Allowability:

Major drainage issues are beyond the scope of the Weatherization Assistance Program. Homes with drainage issues that cannot be addressed within weatherization funding constraints are cause for deferral unless other funds are available to address the home's needs.

Testing:

Auditors will conduct a visual inspection for drainage issues.

Client Education:

Auditors will inform clients of the importance of cleaning and maintaining drainage systems.

Training:

Auditors receive training on how to recognize drainage issues.

303.2.11 Electrical - other than knob-and-tube wiring

Action/Allowability:

Minor electrical repairs are allowed where the health and safety of the client is at risk or the repairs are necessary for Weatherization services to continue.

Testing:

Auditors will conduct a visual inspection for electrical issues. They will also conduct voltage drop and voltage detection tests when needed.

Client Education:

Auditors will provide information to clients on overloading circuits, electrical safety, and electrical risks.

Training:

Auditors are trained in how to identify electrical hazards and are knowledgeable of local codes for compliance.

303.2.12 Electrical - Knob-and-Tube Wiring

Action/Allowability:

Per the electrical inspection section of the 2011 edition of the Indiana Field Guide, auditors identify any knob and tube wiring found in the dwelling and test if to see if it is live. If it is spliced into conventional circuitry, auditors note the breakers or fuses controlling the circuit.

Live knob and tube wiring can never be covered or surrounded by insulation as a result of any weatherization measure. Boxing of knob and tube wiring prior to insulation is acceptable.

Existing insulation covering live knob and tube wiring should not be removed in order to box the knob and tube wiring.

Homes where the knob and tube wiring cannot be properly and safely addressed should be deferred until the electrical hazards can be repaired.

Homes where the knob and tube wiring will limit or prohibit proper air sealing and mechanical ventilation installation should be deferred until the electrical hazards can be repaired.

Testing:

Auditors will inspect for the presence and condition of knob-and-tube wiring and check for alterations that might create an electrical hazard. Voltage drop and voltage detection tests are allowed.

Client Education:

Auditors will provide clients with information on over-current protection, overloading circuits, and basic electrical safety and risks.

Training:

Auditors are instructed to avoid insulating over or dense packing around live knob and tube wiring while installing insulation in attics, floors, or walls.

303.2.13 Fire Hazards

Action/Allowability:

Correction of fire hazards is an allowable cost when necessary to safely perform weatherization.

Testing:

Auditors will check for fire hazards in the home during all inspections.

Client Education:

Auditors will inform the client of observed fire hazards.

Training:

Auditors are trained on how to recognize potential hazards and when removal is necessary.

303.2.14 Formaldehyde, Volatile Organic Compounds (VOCs), and other Air Pollutants

Action/Allowability:

Removal of pollutants that might create a serious health concerns are cause for deferral unless other funds are available such as the OOR program (see section 500). If removal cannot be performed or is not allowed by the client, the unit must be deferred.

Testing:

Auditors will conduct a sensory inspection for formaldehyde, VOCs, and other air pollutants.

Client Education:

Auditors will inform clients of the observed conditions and the associated risks. Auditors will provide the client written materials on safety and proper disposal of household pollutants.

Training:

Auditors are trained on how to recognize potential hazards and when removal is necessary.

303.2.15 Injury Prevention of Occupants and Weatherization Workers—measures such as repairing stairs and replacing handrails

Action/Allowability:

Workers must take all reasonable precautions against performing work on homes that will subject workers or occupants to health and safety risks. Minor repairs and installation may be conducted only when necessary to effectively weatherize the home; otherwise, these measures are not allowed.

Testing:

Auditors will observe if dangers are present that would prevent weatherization.

Client Education:

Auditors will inform clients of observed hazards and associated risks.

Training:

Auditors are trained to be aware of potential injury hazards and risks.

303.2.16 Lead Based Paint

Refer to Section 309

303.2.17 Mold and Moisture

Action/Allowability:

The Weatherization Assistance Program is not a mold remediation program. The use of DOE funds for removal of mold and other related biological substances is not an allowable weatherization expense. DOE funds cannot be used to test, abate, remediate, purchase insurance, or alleviate existing mold conditions identified during the audit, the work performance period, or the quality control inspection. Low cost or no cost measures to clean moisture damaged surfaces are allowed and may be charged to Health and Safety. Houses with mold and moisture issues that require more than no cost or low cost measures must be deferred or remedied with the use of OOR deferral or similar funding. (See section 500). **The Energy Auditor, in cooperation with the sub-grantee, should determine, based upon the conditions of the home, if Weatherization Services will be provided to homes with mold and/or moisture issues.**

Sub-grantees must measure indoor humidity levels and potential sources for excess moisture. Identified problems and sources are documented on the Moisture Assessment Findings form that is signed by the local Sub-grantee and client. The Indiana Moisture Assessment Form (Appendix M) lists moisture conditions that exist in the home at the time of initial audit before any weatherization measures were installed. The conditions must also be confirmed by the shell crew/contractor prior to performing their work. This form must be present in every file.

Testing:

Visual assessment is required and diagnostics, such as moisture meters, are recommended at initial audits and prior to final inspections. Mold testing is not an allowable cost.

Client Education:

Solutions for mold remediation and educational talking points are discussed with the homeowner and/or occupants to determine roles in creation of problems and/or mitigation. Occupants are given a copy of the Environmental Protection Agency (EPA) brochure, "A Brief Guide to Mold, Moisture, and Your Home" as part of the client education process.

Training:

Each sub-grantee's crews or contractors receive specialized training in moisture awareness, ventilation, indoor air quality, and mold hazards. A mold awareness course is offered by the training and technical service provider and teaches Weatherization technicians and auditors how to identify the conditions that promote mold growth. This class identifies treatment options for less extensive mold conditions and best Weatherization practices to prevent mold growth. This class also discusses the health aspects related to mold and moisture issues for both workers and clients. This course is intended to prepare technicians and auditors to know how to safely proceed with Weatherization services or when to defer the home until serious mold and moisture conditions have been eliminated.

303.2.18 Occupant Preexisting or Potential Health Conditions

Action/Allowability:

When a person's health may be at risk and/or the work activities could constitute a health or safety hazard, the occupant at risk will be required to take appropriate action based on severity of risk. Appropriate action could include but not be limited to removal of excessive trash and debris, proper cleaning of moisture damaged surfaces, or removal of an unapproved alternative heat source. Failure or the inability to take appropriate actions must result in deferral.

Testing:

Auditors must require the client to reveal known or suspected health concerns as part of initial application for weatherization. Auditors must screen occupant's health concerns and conditions during the initial audit.

Client Education:

Auditors provide clients information regarding any known risks.

Training:

Auditors are trained on how to screen for client pre-existing health conditions and to determine what action to take if the home is not deferred.

303.2.19 Occupational Safety and Health Administration (OSHA) and Crew Safety

Action/Allowability:

As of December 2013, Material Safety Data Sheets (MSDS) will begin to be known as Safety Data Sheets (SDS). Workers must follow OSHA standards and Safety Data Sheets (SDS) and take precautions to ensure the health and safety of themselves and other workers. Maintaining all appropriate SDS forms is required by IHCD for all sub-grantees and contractors. For more information on hazard communication standards please visit <http://www.osha.gov/dsg/hazcom/index2.html>.

Testing:

Sub-grantees must perform assessments to determine if crews are practicing and utilizing safe work practices.

Client Education:

Not applicable.

Training:

The OSHA 10 hour training is required for all weatherization workers. The OSHA 30 hour training is required for all crew leaders and HVAC personnel working alone. All new weatherization workers must receive the appropriate OSHA training within six months commencing 45 days from the date of hire.

303.2.20 Pests

Action/Allowability:

Pest removal is cause for deferral unless other funds are available to cover the cost of extermination.

Testing:

Auditors will assess the presence and degree of infestation and risk to workers.

Client Education:

Auditors will inform clients of the observed condition and associated risks.

Training:

Auditors are trained in how to assess the presence and degree of infestation, associated risks, and need for deferral. **Pictures of areas that lead to a deferral must be present in the client file.**

303.2.21 Radon

Action/Allowability:

Whenever site conditions permit, exposed dirt must be covered with a vapor barrier. In homes where radon may be present, precautions should be taken to reduce the likeliness of making radon issues worse. Radon abatement is not an allowable activity with DOE funds; major radon problems are deferred and referred to the appropriate local environmental agency.

Testing:

Radon testing is not currently required by IHCD.

Client Education:

Auditors discuss the potential existence of radon with the clients where appropriate.

Training:

Auditors are trained on what radon is, how it occurs, what factors might make it worse, and what weatherization measures can be helpful to radon control. Crews and contractors are trained in vapor barrier installation.

303.2.21 Smoke and Carbon Monoxide Alarms

Action/Allowability:

The installation of smoke and carbon monoxide alarms is an allowable expense with DOE and LIHEAP funds where alarms are not present or inoperable. Replacement of operable smoke and/or carbon monoxide alarms is not an allowable cost.

Testing:

Auditors will check existing smoke and carbon monoxide alarms for operation.

Client Education:

Auditors will provide the client with verbal and written information on the use of smoke and carbon monoxide alarms where necessary.

Training:

Auditors, crews, and contractors are trained on where to install smoke and carbon monoxide alarms.

303.2.22 Solid Fuel Heating (wood stoves, etc)

Action/Allowability:

Maintenance, repair, and replacement of primary indoor heating units is allowed where a client's health and safety is a concern.

Testing:

Auditors must complete the solid wood fuel inspection form as part of their audit. This form is located in Indiana's 2011 Weatherization Field Guide, Chapter 4 and page 4-92.

Client Education:

Auditors provide clients with safety information, safe operating instructions and general fire safety tips.

Training:

Auditors are trained on code requirements associated with solid fuel heating units.

303.2.23 Space Heaters - Stand Alone Electric

Action/Allowability:

Repair, replacement, or installation of electric stand-alone space heaters is not allowed. Removal of these space heaters is recommended. The energy auditor is required to perform a complete evaluation of the heating system on each home weatherized. Part of this evaluation will be determining what modifications or replacements are required. Stand-alone electric heaters cannot be left in place as a client's sole source of heat. If provisions cannot be made for the installation of a permanent heating source, the home must be deferred. In instances where a new heating system is installed, the client will be educated on the new heating system and advised against using the stand alone electric space heater. Should the stand alone electric space heater be found to be unsafe for use in the client's home, it must be removed from use prior to weatherization proceeding.

Testing:

Auditors check overall electrical safety of the home as part of their initial audit process.

Client Education:

Auditors must inform the client of hazards associated with the use of standalone electric space heaters and collect a signed waiver if removal is not allowed by the client.

Training:

Auditors are trained to inspect and identify electrical hazards based upon client use, code enforcement and current conditions in the home.

303.2.24 Space Heaters - Unvented Combustion

Action/Allowability:

Removal of unvented combustion space heaters is required, except as an emergency heat source as allowed by DOE WPN 08-4. Unvented space heaters are only allowed to remain in the home when meeting all requirements as outlined in the Unvented Gas Space Heater Inspection Form, Appendix L, IHCD's Policy and Procedure Manual. This form must be completed and placed in the client file where either an unvented space heater was removed or remains in the home.

Testing:

Carbon monoxide testing, combustion air requirements and completion of the Unvented Gas Space Heater Inspection Form are required.

Client Education:

Auditors must inform the clients of the carbon monoxide dangers associated with unvented space heaters.

Training:

Auditors are trained on the dangers of unvented space heaters and how to determine if the unvented heater can be left in the home.

303.2.25 Space Heaters - Vented Combustion

Action/Allowability:

Vented gas combustion space heaters are an acceptable source of heat and must be tested the same as gas furnaces. Replacements, where necessary, follow the same guidelines as gas furnaces.

Testing:

Auditors must test vented space heaters in the same manner as a gas furnace and complete Indiana's Gas Appliance Inspection Form.

Client Education:

Auditors inform clients of the work performed to their space heaters, safe and efficient operating tips, and maintenance issues.

Training:

Auditors are trained on appropriate testing, operation and venting requirements for vented space heaters.

303.2.26 Spray Polyurethane Foam

Action/Allowability:

Use of two-part foam is acceptable where all applicable EPA, OSHA and IHCD requirements are followed.

Testing:

Auditors determine the most appropriate use for two-part foam based upon pricing, cost effectiveness and conditions in the home.

Client Education:

Auditors notify the client of the plans to use two-part foam and the precautions that may be necessary.

Training:

Auditors, crews and contractors are trained on the proper use, application and safety concerns for two-part foam.

303.2.27 Ventilation

Action/Allowability:

The most current ASHRAE 62.2 regulation is required to be implemented to the fullest extent possible on each home weatherized.

Testing:

Each home is evaluated to meet the ASHRAE 62.2 standard at the initial audit. Fans installed as a result of ASHRAE 62.2 are tested for proper flow and adjusted to meet blower door readings at the time work is completed.

Client Education:

Auditors will provide clients with information on function, use, and maintenance of ventilation systems installed as a result of ASHRAE 62.2.

Training:

Auditors are required to complete ASHRAE 62.2 training which includes evaluation of the home, blower door testing, moisture assessments and completion of Indiana's ASHRAE 62.2 calculation form.

304 DEFERRAL STANDARDS

While clients may meet eligibility requirements for weatherization, Sub-Grantees may defer a client because the housing unit is not a good candidate for weatherization. A deferral may occur due to problems that are beyond the scope of weatherization such as condition of the structure, area is slated for redevelopment or health and safety reasons.

Deferrals may take place during any phase of the weatherization process, including but not limited to: during or after the energy audit, the work performance phase, or immediately following the identification of a health and safety risk to the occupants or to crew and contractors and must be in writing.

Postponement of work is advisable until deferral issues can be resolved either by the client and/or by alternative sources of assistance. Below are examples of existing conditions under which a dwelling unit can be deferred until certain corrective actions occur:

- Elevated carbon monoxide levels where abatement is not possible using WAP funds
- Existing moisture problems that cannot be resolved under the health and safety limits

- House with sewage or other sanitary problems that not only endangers the client, but the workers who will perform the weatherization work
- Occupant's health condition
- Building structure or its mechanical systems, including electrical and plumbing, are in such a state of disrepair that failure is imminent and these conditions cannot be resolved in a cost effective manner
- Client is uncooperative, abusive, or threatening to crew, subcontractors, auditors, inspectors, or others who must work on or visit the house
- Extent and condition of lead-based paint in the house would potentially create further health and safety hazards
- The house has been condemned or electrical, heating, plumbing, or other equipment has been "red tagged" by local or state building officials or utilities.
- The home is in foreclosure, for sale or condemned and the owner will not be occupying the units throughout the duration of the weatherization work.
- Any existing condition that could endanger the health and/or safety of the work crew or subcontractor and cannot be safely abated within the scope of WAP

All agencies will pursue alternative funding resources to reduce the occurrence of deferral. Agencies should establish lines of communication with other funding sources so that referrals can occur in an efficient manner. The following is a list of potential funding sources to help remedy situations in a home:

- U.S. Department of Housing and Urban Development (HUD) - HOME Program
- HUD - Community Development Block Grant
- U.S. Department of Health and Human Services - Community Services Block Grant
- U.S. Department of Agriculture - Rural Economic Community Development
- State-funded housing and rehabilitation programs
- Low-income program funds provided by local utilities
- City-funded housing and rehabilitation programs
- Donations or financial participation from landlords
- Donations from local churches or community groups

All clients who are deferred must receive a letter outlining the reason(s) for the deferral. An Applicant Notification Letter (Appendix Q) must be mailed to the client and a copy included in the client file.

Any client who has received a deferral by a local agency must be allowed to pursue an appeal. The appeal will follow the established procedure set forth in the Section 103 of this manual. The right to appeal information provided to any deferred household must contain the following three processes: Local Review, Executive Review, and State Review

Local review involves the written policy of each Sub-grantee for handling client complaints or appeals of program decisions. The final step in the local process should involve a written determination by the agency Executive Director.

State review occurs when a denied/deferred weatherization applicant is not satisfied with the local agency determination. The applicant appeal must be made in writing within thirty days of the local denial/deferral, to the Indiana Housing and Community Development Authority Chief Community Services Officer. All pertinent material to the case will be requested from the Sub-grantee by IHCD in order to make a determination.

IHCD's legal staff shall designate a hearing officer who has not participated in any prior decision with regard to the applicant. The hearing officer will provide notice of the date, time and location of the hearing within thirty days of the written request. The hearing may be conducted in person, or by telephone. The applicant shall have the opportunity to review all documentation submitted to IHCD.

The costs associated with deferred audits are an allowable charge under Base Program Operations. Those agencies using contractors must be able to document on the deferral invoice that the charge was for a deferred home and is not attributable to any particular completion.

Pictures documenting the conditions leading to deferral must be placed in the client file.

305 REWEATHERIZATION

Sub-grantees may provide services to a dwelling unit previously weatherized **prior to September 30, 1994**, as noted in the American Reinvestment and Recovery Act of 2009 and WPN 13-1, section V.1.2. A "Reweatherized" unit falls into the category of time indicated above and described under 20CFR 440.18(e)(2)(iii). DOE gives sub-grantees the flexibility to revisit those homes weatherized prior to September 30, 1994 that may not have received the full complement of Weatherization services. **Reweatherized units must be properly recorded in IWAP.**

See *Section 302.1 Previously Weatherized* to verify units weatherized after September 30, 1994.

A "rework" is different from a "reweatherized unit" and is defined in Section 309.

306 RENTAL PROCEDURES

The benefits of weatherization to the occupants of rental units are protected in accordance with 10CFR440.22(b)(3). Indiana's policy for the weatherization of rental units complies with 10CFR440.16(i), and all other pertinent regulations.

Sub-grantees must have the following procedures in place before proceeding with weatherization of a rental unit:

1. Written permission of the building owner or his agent before commencing;

2. Benefits of the services accrue primarily to the low income tenants residing in such units;
3. For a reasonable period of time after completion, the household will not be subjected to rent increases;
4. No undue or excessive enhancements shall occur to the value of the dwelling unit and
5. A landlord agreement as required by the Sub-grantee.

Sub-grantees are required to have and abide by their written policies detailing the terms of the landlord/tenant agreement and any landlord contribution policy the sub-grantee has adopted.

Landlords may be required to contribute financially toward the cost of completing a unit, and/or to complete specific work on the unit. In cases where the landlord meets the definition of low income, and is eligible for services, the sub-grantee cannot require financial participation on the part of the landlord. Furthermore, sub-grantees will ensure that clients realize the primary benefits from the weatherization work. Sub-grantees may also include in their landlord policy a provision that does not require a landlord contribution if the landlord is a 501(c)3 non-profit organization.

Landlord agreement forms must be included in the files of all weatherized rental units. At a minimum, landlord agreements must state that:

- For a one-year period after the weatherization work on the unit is completed, rent cannot be increased, unless the increase is not related to weatherization services performed, as noted in 10CFR440.22(b)(3)(ii).
- Landlord and/or other contributions shall be expended in accordance with the agreement between the landlord and the weatherization sub-grantee, as noted in 10CFR440.22 (d).
- Written permission of the landlord, or the landlord's agent, must be obtained prior to the weatherization of the dwelling.

Landlord contributions are not to be counted as program income, but must be applied to the program in one of two ways.

- Agencies that require landlord contributions must use a net system when charging weatherization. As an example, if the cost of the work is \$4,000.00, and the landlord contributes 50%, or \$2,000.00, weatherization may be charged for only the remaining \$2,000.00.
- Agencies that do not require landlord contributions, but receive contributions without stipulations as to their use, must then use those funds to enhance the weatherization program.

Sub-grantees are required to develop a written appeals process for dealing with rental units. The process should be available to resolve disputes over raising rent following the weatherization process.

The primary purpose of the weatherization program is to lower the total residential energy expenditures of low-income persons. Agencies are to ensure that no undue enhancement shall occur to increase the value of the dwelling units, as noted in 10CFR440.22 (b) (3)(iv). Undue enhancement is defined by DOE as any improvement to the property that goes beyond the scope of energy conservation work.

Agencies are not required to place liens on rental property that has been weatherized, but must ensure protection of the low-income household from improper eviction or sale of property. Agencies must be aware of the legal protection available and be prepared to make appropriate referrals when necessary.

307 NEW CONSTRUCTION

Under no circumstances shall weatherization funds be used on new construction buildings.

308 REFRIGERATOR/DSM PROGRAMS

IHCDA does not allow any weatherization grant funds to be used to cover all or part of the costs of refrigerator replacement.

INCAA manages Demand Side Management (DSM) programs. In 2013 they are managing the Share The Warmth Program sponsored by Vectren. Any questions about the refrigerator or DSM programs, please contact Dan Phillips at INCAA at dphillips@incap.org

309 REWORK POLICY

DOE has issued new guidance WPN 11-03, December 15, 2010 concerning eligible call-back/add-on/rework policy. The concern was that DOE was being charged for additional work completed after a unit has been final inspected and reported to DOE. DOE will not permit the use of DOE funds to perform work (rework) after a unit has been final inspected and reported.

Per DOE WPN 11-03: “As a general rule, Grantees and sub-grantees may not charge the WAP for additional work on homes that have already been reported to DOE as completed, weatherized units. Once a home is reported to DOE as complete, the required final inspection indicates that all applicable work performed was done so in a workmanlike manner, including all work that may have been contracted out such as furnace work, etc. Performing activities such as routine maintenance, repairs, or warranty-type work is not permitted using DOE funds for work beyond those costs already invoiced.”

Indiana has issued Program Guidance WX-10-02 (dated 2/18/11) to address this issue. For DOE funding Indiana will perform real time monitoring to assist sub-grantees with compliance with the DOE guidance. Any units completed with DOE funding after January 10, 2011 and reported as a completion in IWAP will require special approval by IHCDa prior to any additional work being undertaken with DOE funds. Special approval will only be granted by IHCDa staff as a direct response to a real time monitoring finding. If a unit has special approval, the record will be unlocked to add rework invoices.

Other measures taken by IHCDa to comply with the new WPN 11-3 guidance are:

- As of May 9, 2011 the IWAP system has been updated with a “close out” requirement for a completion to count in IWAP and be reported to DOE. If this close out is not completed IWAP will automatically lock records that are 45 days or older to prevent reworks being charged to the units.
- If sub-grantees undertake measures which could fail shortly after repair or cleaning (i.e. bath fan, furnace blower, range hood, etc), subsequent failures must be addressed by the sub-grantee either through a release of liability for those types of issues, or through non-DOE funding.
- Sub-grantees have been advised to not offer a traditional one-year warranty on work completed with DOE unless the sub-grantee has outside funds to pay for the warranty service.
- Sub-grantees are encouraged to revisit warranty provisions offered by subcontractors and rebid any and all contracts as necessary to address this issue.

310 LEAD-SAFE WORK PRACTICES

In response to DOE's actions in adopting the EPA's revised lead protocols, Indiana underwent a number of steps in order to adhere to the new EPA standards as outlined in the Renovation, Repair, and Painting Rule (RRP). Indiana is compliant with this rule and the steps taken to be compliant are outlined below:

- All sub-grantees have at least one Niton brand XRF 300 analyzer. Resourcing of the XRF is not an allowable cost with DOE funds. All resourcing expenses must be paid for with LIHEAP dollars. The cost of the resourcing exceeds \$5,000.00 resulting in this expense being treated as an Equipment budget line item. As such, written permission from IHCDa is required to purchase the resourcing.
- All sub-grantees will be required to maintain Lead Firm status through the EPA.
- All sub-grantees will have at least one staff member who has achieved their Renovator certification. A certified renovator must be present as the work begins to ensure proper set-up of lead safe work practices and ensure everyone is properly trained. The certified renovator must also be present at the completion of the job to ensure that clean and

clearance testing procedures are performed correctly. The certified renovator must be able to be contacted immediately by telephone or other mechanism while the work is on-going.

- Monitoring has included a LSW component which reviews practices, inventory, XRF use and reporting.

The purpose of the steps outlined above is to ensure full compliance with the EPA rule and to ultimately provide a better service to those clients who live in housing built prior to 1978 wherein the weatherization program will be disturbing more than the de minimus levels of painted surfaces containing either confirmed or assumed lead based paint.

Indiana has implemented a policy regarding lead based paint procedures on homes being weatherized. This policy includes providing clients with the pamphlet "Renovate Right: Important Lead Hazard Information for Families, Child Care Providers and Schools" and obtaining certification that they received the form. Sub-grantee staff working in homes are trained on how to work in a safe lead environment to ensure adherence to EPA, OSHA Rule 29 CFR 1926 as well as to HUD's Lead Paint Hazard Control, 24 CFR 35 (Part 35). All sub-grantees performing weatherization services are encouraged to obtain Pollution Occurrence Insurance.

New employees are trained on lead safe work practices within the first six months of employment (commencing 45 days from hire date) to protect employees from the hazards of lead during weatherization work.

What must sub-grantees do?

Provide the Lead Paint form to all clients and landlords.

Either:

1. Use the XRF machine or EPA approved testing procedures to determine levels of lead in work areas as well as in individual components that might be disturbed when completing weatherization work or
2. Assume Lead Based Paint and follow Lead Safe Work Practices including clean-up and testing as outlined in the RRP rule for applicable housing.

Sub-grantees shall, at a minimum, use the following lead-safe work practices whenever known or presumed lead-based paint is disturbed:

- Laying 6 mil plastic 10' beyond where lead based paint is disturbed (exterior)
- Laying 6 mil plastic 6' beyond where lead based paint is disturbed (interior)
- Wetting the area of paint to be disturbed
- Wetting paint chips prior to clean-up and removal
- Limiting access to the area where paint is being disturbed
- Wearing appropriate personal protective equipment
- Properly dispose of all material following clean-up

The following instructions outline the use of the RRP Rule:

Sub-grantees will not be required to follow the RRP Rule for the following repairs:

- Renovation or repair to housing built in 1978 or later,
- Renovation or repair to zero-bedroom dwellings (studio apartments, dormitories, etc.),
- Renovation or repair to housing or components declared lead-free by a certified inspector or risk assessor, or
- Minor repair and maintenance activities that disturb 6 square feet or less of paint per room inside, or 20 square feet or less on the exterior of a home or building.
- Note: minor repair and maintenance activities do not include window or door replacement and projects involving demolition or prohibited practices.

All sub grantees must follow the following pre-renovations education requirements in all homes which do not meet the exemption criteria mentioned above.

In housing, you must distribute EPA's lead pamphlet to the owner and occupants before renovation starts.

- For work in common areas of multi-family housing or child-occupied facilities, you must distribute renovation notices to tenants or parents/guardians of the children attending the child-occupied facility. Or you must post informational signs about the renovation or repair job.

Informational signs must:

1. Be posted where they will be seen;
2. Describe the nature, locations, and dates of the renovation; and
3. Be accompanied by the lead pamphlet or by information on how parents and guardians can get a free copy (see page 31 for information on obtaining copies).

Sub-grantees must obtain confirmation of receipt (Appendix H - Client Consent Form) of the lead pamphlet from the owner, adult representative, or occupants (as applicable), or a certificate of mailing from the post office.

As of April 22, 2010 all sub grantees must comply with the following guidelines:

- Obtain and maintain Lead Firm status
- Have at least one Certified Renovator on staff.
- Perform lead safe work practices on every pre 1978 home where lead based paint is either confirmed or assumed to be present.

Firm Responsibilities:***Firms performing renovations must ensure that:***

1. All individuals performing activities that disturb painted surfaces on behalf of the firm are either certified renovators or have been trained by a certified renovator;
2. A certified renovator is assigned to each renovation and performs all of the certified renovator responsibilities;
3. All renovations performed by the firm are performed in accordance with the work practice standards of the Lead-Based Paint Renovation, Repair, and Painting Program;
4. Pre-renovation education requirements of the Lead-Based Paint Renovation, Repair, and Painting Program are performed;
5. The program's recordkeeping requirements are met. The following records must be retained for three years following the completion of a renovation
 - Reports (if any) certifying that lead-based paint is not present.
 - Records relating to the distribution of the lead pamphlet.
 - Documentation of compliance with the requirements of the regulation (EPA has prepared a sample form that is available at:
www.epa.gov/lead/pubs/samplechecklest.pdf).

Renovator Certification

To become a certified renovator an individual must successfully complete an eight-hour initial renovator training course offered by an accredited training provider (training providers are accredited by EPA, or by an authorized state or tribal program). The course completion certificate serves as proof of certification. Training providers can apply for accreditation for renovator and dust sampling technician training beginning in April 2009. Once accredited, trainers can begin to provide certification training.

Any sub-grantee staff or contractors who have successfully completed an accredited lead abatement worker or supervisor course, or individuals who have successfully completed an EPA, Department of Housing and Urban Development (HUD), or EPA/HUD model renovation training course, need only take a four-hour refresher renovator training course instead of the eight-hour initial renovator training course to become certified.

Renovators at either the sub-grantee or the sub-grantee's contractor must adhere to the following:

1. Must use a test kit acceptable to EPA or a XRF machine, when requested by the party contracting for renovation services, to determine whether components to be affected by the renovation contain lead-based paint (EPA will announce which test kits are acceptable prior to April 2010. Please check our Web site at: www.epa.gov/lead)
2. Must provide on-the-job training to workers on the work practices they will be using in performing their assigned tasks (this training must be documented)

3. Must be physically present at the work site when warning signs are posted, while the work-area containment is being established, and while the work-area cleaning is performed
4. Must regularly direct work being performed by other individuals to ensure that the work practices are being followed, including maintaining the integrity of the containment barriers and ensuring that dust or debris does not spread beyond the work area
5. Must be available, either on-site or by telephone, at all times renovations are being conducted.
6. Must perform project cleaning verification
7. Must have with them at the work site copies of their initial course completion certificate and their most recent refresher course completion certificate
8. Must prepare required records

Work Practice Requirements: General

1. Renovations must be performed by certified firms using certified renovators;
2. Firms must post signs clearly defining the work area and warning occupants and other persons not involved in renovation activities to remain outside of the work area. These signs should be in the language of the occupants;
3. Prior to the renovation, the firm must contain the work area so that no dust or debris leaves the work area while the renovation is being performed;
4. Work practices listed below are prohibited during a renovation:
 - a) Open-flame burning or torching of lead-based paint;
 - b) Use of machines that remove lead-based paint through high speed operation such as sanding, grinding, power planing, needle gun, abrasive blasting, or sandblasting, unless such machines are used with HEPA exhaust control; and
 - c) Operating a heat gun on lead-based paint at temperatures of 1100 degrees Fahrenheit or higher.
5. Waste from renovations:
 - a) Waste from renovation activities must be contained to prevent releases of dust and debris before the waste is removed from the work area for storage or disposal.
 - b) At the conclusion of each work day and at the conclusion of the renovation, waste that has been collected from renovation activities must be stored to prevent access to and the release of dust and debris.
 - c) Waste transported from renovation activities must be contained to prevent release of dust and debris.

Work Practice Requirements: Specific to Interior Renovations

1. Remove all objects from the work area or cover them with plastic sheeting with all seams and edges sealed.
2. Close and cover all ducts opening in the work area with taped-down plastic sheeting.
3. Close windows and doors in the work area. Doors must be covered with plastic sheeting.
4. Cover the floor surface with taped-down plastic sheeting in the work area a minimum of six feet beyond the perimeter of surfaces undergoing renovation or a sufficient distance to contain the dust, whichever is greater.

5. Use precautions to ensure that all personnel, tools, and other items, including the exteriors of containers of waste, are free of dust and debris when leaving the work area.
6. After the renovation has been completed, the firm must clean the work area until no dust, debris or residue remains. The firm must:
 - a) Collect all paint chips and debris, and seal it in a heavy-duty bag.
 - b) Remove and dispose of protective sheeting as waste.
 - c) Clean all objects and surfaces in the work area and within two feet of the work area in the following manner:
 - i) Clean walls starting at the ceiling and working down to the floor by either vacuuming with a HEPA vacuum or wiping with a damp cloth.
 - ii) Thoroughly vacuum all remaining surfaces and objects in the work area, including furniture and fixtures, with a HEPA vacuum.
 - iii) Wipe all remaining surfaces and objects in the work area, except for carpeted or upholstered surfaces, with a damp cloth. Mop uncarpeted floors thoroughly using a mopping method that keeps the wash water separate from the rinse water, or using a wet mopping system.
 - d) Cleaning verification is required to ensure the work area is adequately cleaned and ready for re-occupancy.

Work Practice Requirements: Specific to Exterior Renovations

1. Close all doors and windows within 20 feet of the renovation.
2. Ensure that doors within the work area that will be used while the job is being performed are covered with plastic sheeting in a manner that allows workers to pass through while confining dust and debris.
3. Cover the ground with plastic sheeting or other disposable impermeable material extending a minimum of 10 feet beyond the perimeter or a sufficient distance to collect falling paint debris, whichever is greater.
4. In situations such as where work areas are in close proximity to other buildings, windy conditions, etc., the renovation firm must take extra precautions in containing the work area, like vertical containment.
5. After the renovation has been completed, the firm must clean the work area until no dust, debris or residue remains. The firm must:
 - a) Collect all paint chips and debris, and seal it in a heavy-duty bag.
 - b) Remove and dispose of protective sheeting as waste.
 - c) Waste transported from renovation activities must be contained to prevent release of dust and debris. A certified renovator must perform a visual inspection-is dust, debris, or residue present?
 - d) These conditions must be eliminated and another visual inspection must be performed.
6. Once the area has been adequately cleaned you're finished.

All Sub-grantees are also subject to the following recordkeeping requirements:

1. All documents must be retained for three years following the completion of a renovation.
2. Records that must be retained include:
 - a) A report certifying that lead-based paint is not present.
 - b) Records relating to the distribution of the lead pamphlet.
3. On April 23, 2010, to better prevent against lead paint poisoning, EPA issued a final rule to apply lead-safe work practices (Federal Register dated May 6, 2010) to most pre-1978 homes, effectively closing the exemption. ***The rule eliminating the opt-out provision became effective July 6, 2010.***
4. Documentation of compliance with the requirements of the Lead-Based Paint Renovation, Repair, and Painting Program (EPA has prepared a sample form that is available at www.epa.gov/lead/pubs/samplechecklist.pdf)

Monitors verify Renovator and Lead Firm status at the time of monitoring and track it to ensure each crew and contractor firm have sufficient renovators to ensure lead safe work practices are adhered to at all applicable job sites. IHCD requires all crews and contractors to take pictures documenting their use of lead safe work practices in order to be paid for the procedures. Pictures of lead safe work practice set-up must be included in the client file when: pre 1978 paint is being disturbed is either presumed to be lead based paint or has been tested and confirmed to be lead based paint.

Please reference the Indiana Weatherization Field Guide, Health & Safety Section, for additional guidance and requirements for dealing with Lead Based Paint in Weatherization.

SECTION 400

BUDGETS AND CLAIMS

401 BUDGET FORMS

The Weatherization Assistance Program utilizes several different funding sources in the delivery of services. For each funding source, the Weatherization Manager must complete and return a separate budget form to IHCD prior to the beginning of each program year. Any sub-grantee that does not have approved budgets by the start of the program year will have all weatherization claims held by the Weatherization Program Manager until receipt of the budget form. In general, the forms should be used to assist a Weatherization Manager in planning production and budget targets for the grant period.

Requests for budget proposals will be emailed to each Weatherization Program Manager at the same time as the grant agreements are emailed to the Executive Directors for signature. Budget forms and definitions are in *Appendix C*. Since this part of grant agreement, an original signature is required on the first budget form and any budget modification forms submitted.

The funding source Close-Out Report will be considered the final budget, provided that no individual line item has exceeded the limitations for that cost category.

Each sub-grantee will be responsible for limiting expenses to the amounts allowed for in the budget line items. In no instance will a sub-grantee be permitted to exceed the total award for a funding period.

402 BUDGET MODIFICATION FORMS

A Budget Modification form must be submitted by a sub-grantee when changes are necessary to budget line items. The Budget Modification form is the same form as the budget form *Appendix C*. A number is listed at the upper right hand corner for each new modification. An original signature of the sub-grantee's authorized signatory is required. Updates will be made to the sub-grantee's budget in IHCDOnline.com for claims once all signatures are secured.

A Budget Modification form must be submitted to realign budget lines if a sub-grantee has line items expenses that will exceed the budgeted amount.

403 PROGRAM INCOME

Program income is defined as any funds earned by sub-grantees from non-Federal sources during the course of performing Weatherization work. It is required that income earned from

activities supported by a grant or sub-grant must be reported as program income. Sources of income to be reported include but are not limited to:

- Income from payments of principal and interest
- Income from fees or services provided (including rental of WX equipment and vehicles and staff wages and applicable charges)
- Income from the use of rental or real property acquired with grant funds
- Income from the sale of commodities or items fabricated under a grant agreement (i.e. vehicle).

Program income is to be treated as an addition to program funds. Program income funds must be used to weatherize additional dwelling units within twelve months of when the program income was earned. When possible program income should be spent in the year it was earned (i.e. earned in March, use in current grant year). If it is late in the program year, it can be used in the next program year (i.e. a sale at the end of Sept.)

Program income should be returned to the grant that the original purchase was made. Most purchases are made with LIHEAP funds. Those purchases made with ARRA funds and transferred to the DOE annual grant must be reported in the DOE grant. Program income must be tracked by the sub-grantees and must be reported on the close out form of the applicable program.

Property owner (i.e. landlord) contributions and leveraged resources (i.e. utility and State funds) are NOT considered program income in the WAP Program.

DOE program income is subject to specific guidance provided in 10 CFR 600, Subpart B, 600.124 and Subpart C, Section 600.225 as appropriate. An annual report stating the amount of program income received will be detailed by the sub-grantee on the funding source Close-Out Form.

404 CLOSE-OUT REPORTS

Program Year End Close-Out Reports are due to IHCD within **forty-five** days of the end of the grant program year. Close-out Reports should accurately reflect the total dollars claimed for each line item after the final claim has been paid by IHCD. Sub-grantees are required to submit (mail or deliver) an originally signed and completed Close-Out Report that meets all program requirements to IHCD by the due date. IWAP and claims must be up-to-date as of the due date.

IHCD reconciles each sub-grantee's Close-Out Report with the IWAP production data and claims submitted during the grant year. This is done to verify that sub-grantees are in compliance with program guidelines. Sub-grantees should work closely with their financial department to accurately report expenses and claims. Outstanding weatherization claims will not be forwarded for payment until receipt of the report and the sub-grantee will not be eligible for the incentive pool allocation (DOE and LIHEAP funded programs as applicable). Emailed or faxed copies will not be sufficient for closeout reports and incentive pool consideration.

The funding source Close-Out Report will be considered the final budget modification provided that no individual line item has exceeded the limitations for that cost category.

Sub-grantees are strongly encouraged to start work on the Close-Out Report several weeks prior to the actual due date. IHCD staff is available for guidance and will review completed Close-Out Reports for accuracy *if the report is sent via email at least one week prior to the due date*. IHCD wants to ensure all sub-grantees are able to submit an accurate and complete Close-Out Report by the due date and will offer recommendations, corrections and/or guidance to each sub-grantee who requests it prior to the due date. See *Appendix D*.

405 CLAIMS

Sub-grantees shall submit properly completed claims and backup documentation to IHCD at least monthly for reimbursement of costs incurred during the prior month. All claims and backup documentation must be submitted online through <https://ihcdaonline.com> see *Section 408*.

Sub-grantees may claim on incurred (accrued/obligated) material expenses. This is intended as “just in time” funding. Only material expenses that are expected to be due within ten days of the receipt of the claim may be submitted to IHCD. No subcontractor of a sub-grantee shall be paid for labor costs until such time as the sub-grantee has inspected the work and has determined that any such work has been performed in a satisfactory manner. Where subcontractors are utilized, the cost of materials shall be separated from the cost of installation in billings submitted by the subcontractor.

Starting in 2013, all final claims and close out reports must be submitted to IHCD within **forty-five** calendar days after the end of the program year or IHCD shall deny payment. Sub-grantees must liquidate all outstanding obligations properly incurred during the term of the agreement no later than **forty-five** calendar days after the termination of the program year.

406 CLAIMS BACKUP DOCUMENTATION

Acceptable backup documentation is required for all Weatherization grant claims submitted after the effective date of Program Guidance WX-10-01A, updated 2/9/11. IHCD must trace funds to the expenditure level at our offices with source documents rather than at sub-grantee’s offices during monitoring visits (as previously acceptable). The following two citations are the basis for the new backup documentation requirements: 10 CFR 600 – Subpart C - Section 600.220 (a) and Section 600.220 (b) (6).

The following documentation will be acceptable to submit as backup documentation for a claim:

1. Contractor invoices;
2. Bills and/or receipts from service providers (such as accounting, IT, etc)
3. Receipts for purchases from stores;
4. Receipts for purchases from Centralized Purchasing;
5. Payroll records detailed the employee name;
6. Timecards; and
7. General ledger for overhead or administration costs which are allocated based on an approved cost allocation plan. Costs identified on the general ledger should reflect the cost allocated amount being claimed.
8. Level II Required Backup Documentation - A detailed general ledger or expense report for all costs charged to the grant under each budget line item where backup invoices, receipts and timecards have been reduced. This report must be detailed by each individual charge and must show date of the transaction, vendor name, invoice number and amount charged.

Review for Level of Required Backup Documentation

During 2011 all DOE annual allocation funded sub-grantees were reviewed for the new Level II Required Backup Documentation. Sub-grantee claims reviewed by IHCD staff for the following items:

- a. Completeness- Appropriate backup documentation was provided in its entirety upon initial submission.
- b. Accuracy- Invoices provided match up to costs charged to the grant. Costs identified on a general ledger match up with claimed amounts and invoices.
- c. Appropriateness of charges- All charges are allowable per OMB circulars and line item restrictions. Additionally, cost allocated charges have an identifiable base and can be reconciled against current cost allocation.

If a sub grantee was able to provide successive complete, accurate, and appropriate claims for DOE funded projects, IHCD relaxed the supporting documentation requirements for those sub-grantees and designated the sub-grantee as Level II Required Backup Documentation as outlined below.

Level I - Sub grantee must continue to follow the above guidelines and submit detailed backup documentation; and

Level II - Sub grantees will be allowed to submit less rigorous backup documentation with each successive claim. Backup documentation requirements 1, 2, 3, 4, and 6 as identified above will be relaxed. Copies of invoices associated with these charges will be not required. Sub-grantee will still be required to show via a detailed general ledger or expense report costs being charged to the grant by vendor with detail to identify the date of the transaction, vendor name, amount and invoice number covered by the charge.

Level II Requirements:

For future claims you are only required to submit the following:

- Signed claim receipt;
- A detailed general ledger, expense report and/or summary worksheet for all costs charged directly or indirectly (cost allocated) to the grant under each budget line item. *This report(s) must be detailed by each individual charge and must show date of the transaction, vendor name, invoice number and amount charged; and*
- Payroll records *detailed the employee name and individual charges* being claimed. (timecards are not required)

You must still:

- Enter all claimed expenses and submit it into <https://IHCDAonline.com>
- Submit all signed claim receipts and back-up documentation as “supporting documentation” in <https://IHCDAonline.com> to be processed.

If IHCDA has any questions on a claimed expense and needs additional details to approve a claim, invoices may still be requested. Please keep all backup documentation and the originally signed claims to be reviewed during future IHCDA monitoring visits.

IHCDA may at any time reduce the claims review back to Level I if required documentation or processes are not followed. Notification will be made prior to changing the claims approval level.

Effective January 1, 2014, refer to [**IHCDA Financial Operations Claims Submission Standards**](#) for overall IHCDA policies for submitting and processing claims.

407 ORIGINAL SIGNATURES

The following is a guide explaining when a Weatherization form requires original signatures on the form:

Original Signature required to be submitted to IHCDA:

- **Grant Agreement** – State of Indiana requires an original signature
- **Grant Budget or Budget Modification form**
- **Close Out Form**

Original Signature only required on hard copy file at sub-grantee offices:

- **Grant Claims** – original signatures are not required for online claims. See Program Guidance WX-10-01A dated February 9, 2011 for details on paperless claims.
- **Equipment Purchase Request** – can be an email.

DOE guidelines (10 CFR 600.242(d)), allows IHCDA to accept a photocopy signature for claim forms. DOE regulations does not extend this option to IHCDA so sub-grantees are required to

retain the originally, signed claim form along with back up documentation in a hard copy, paper file for the required retention period.

This DOE guidance to accept a photocopy signature only applies to claim forms. The State of Indiana requires grant agreements and all affiliated forms (original budgets, budget modification forms and close out forms) to bear the original signature in hard copy form.

For all forms and agreements, the signature must be by one of the sub-grantees “Authorized Signatures” as notarized and approved on IHCD A Authorized Signature Form. If the person approved as the sub-grantee’s authorized signature leaves or becomes ineligible to represent the organization, a new form must be submitted and approved before the person’s signature can be accepted on the forms and the form is processed.

The required retention period is outlined in 10 CFR 600.242(a) and (b) requires that financial and programmatic records, supporting documents and statistical records must be retained for three years after the last expenditure report is submitted. If any litigation, claim, negotiation, audit or other action involving the records has been started before the expiration of the 3-year period, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular 3-year period, whichever is later.

408 IHCD Aonline CLAIMS SYSTEM

<https://ihcdaonline.com> is IHCD A’s online claims system. Starting December 1, 2010 claims for all weatherization funding sources (LIHEAP, DOE, Hoosier Energy Wood Stove Program, and **State LIHEAP** Funds) must be entered and submitted online.

Each sub-grantee must have at least one person authorized to use the online claims system. Additional staff may request access by clicking “New User? Register Here” at <https://ihcdaonline.com>. When approved, an email will be sent from IHCD A. Contact IHCD A if you forget your password or have problems with the system.

Starting December 1, 2010 all weatherization claims will be submitted paperless. See updated instructions on *Appendix E starting on page 6*.

Starting fall of 2012, IHCD Aonline has broadened the types of claims for sub-grantees. Below are definitions of the new types of claims. If you are uncertain, email the **Community Programs Analyst or Community Program Manager** for advice before submitting the claim.

The following describes the allowable transaction types for the claim process.

Grantee Payment

A grantee payment is a standard draw of funds by the sub-grantee for their award. This transaction will initiate a payment to the sub-grantee through the claims process. This is the most common type of transaction.

Adjustment

An adjustment transaction allows a sub-grantee to make corrections to line items within an award. An adjustment will have both positive and negative line item amounts and must have a net total of zero. No funds are either drawn or paid as part of an adjustment transaction.

Return of Funds

A return of funds transaction is initiated when paid grant funds need to be returned due to a monitoring or financial audit issue. These funds will show on the claim summary but will not be returned to the sub-grantee's claim budget. The state will reuse these funds in future allocations.

Repayment

A repayment transaction consists of a sub-grantee repaying claimed funds to the State. This transaction will initiate a repayment from the sub-grantee and the funds that are repaid will be available in the award budget and remaining balance. This transaction is necessary if completed homes have been claimed on a grant but then moved to another grant. All associated costs such as administration, insurance and audit allocations should be included along with the base program operations and health and safety costs.

409 MILEAGE, LODGING AND/OR SUBSISTENCE PER DIEM

Any claims requesting mileage, lodging and/or subsistence per diems will be reimbursed at the current rate paid by the State and in accordance with State Travel Policies and Procedures as specified in Financial Management Circular 2003-1 that can be found online at <http://www.in.gov/idoa/2459.htm>

A PDF of the policy manual can be downloaded from the website – see Policy – State Travel Policy. Rates change periodically for mileage and hotel as federal rates change. Check the State website for updated rates. Claims will be rejected if this policy is not followed.

410 ADMINISTRATION OF FUNDS

Funding shall be provided to sub-grantees as a reimbursement for authorized expenditures incurred for the Weatherization Assistance Program (WAP), in accordance with the fiscal policies and procedures of IHCD and the State of Indiana. Sub-grantees must maintain and implement written procedures to minimize the time elapsing between the transfer of funds to the sub-grantee and the sub-grantee's issuance of payment to subcontractors for program purposes. Sub-grantees will have a total of forty-five (45) days from the receipt of subcontractor invoice, to check issuance, to the funds being withdrawn from sub-grantee's account for DOE and HHS funded grants.

Sub-grantee shall follow generally accepted accounting procedures and practices which sufficiently and properly reflect all costs incurred by sub-grantee. Sub-grantee shall manage all funds received through Weatherization funding sources in accordance with applicable cost principles identified in OMB Circulars A-87 (Government Entities) or A-122 (Nonprofit Organizations), now reported at 2 C.F.R. §§ 225, 230, respectively.

Sub-grantees shall maintain financial and accounting records which identify costs attributable to each Activity Description specified on Attachment A of each grant agreement. Sub-grantees shall further maintain annual, written, cost methodologies, which identify procedures for attributing costs to each Activity Description. More restrictive fiscal accountability may be required of sub-grantees by IHCD A should IHCD A determine that a sub-grantee is financially unstable, has a history of poor accountability, or has a management system which does not meet the standards required by the State of Indiana, IHCD A, or the United States Government.

Sub-grantees shall maintain those books, records, and documents including, but not limited to: payroll records, banking records, accounting records, and purchase orders, which are sufficient to document sub-grantee's financial activities and sub-grantee's claims for reimbursement under this Agreement. Further, sub-grantee shall create, maintain, and provide to IHCD A such other statistical and program reports as are required by the laws, regulations, and policies of the State of Indiana, IHCD A, or the United States Government, including any close-out reports required by IHCD A.

Sub-grantee shall, upon written demand by IHCD A, be required to repay IHCD A all sums paid by IHCD A to Sub-grantee for which adequate fiscal and/or service delivery documentation is not in existence for any time period audited. If an audit or review of Sub-grantee results in an audit exception or cost disallowance, IHCD A shall have the right to set off such amount against current or future allowable claims, demand cash repayment, or withhold payment of current claims in a like amount pending resolution between the parties of any disputed amount.

IHCD A may withhold payment to Sub-grantee if a claim submitted by Sub-grantee is inaccurate or if Sub-grantee has not complied with the claim preparation instructions issued by IHCD A. IHCD A will notify Sub-grantee of any error in the claims submitted so Sub-grantee may make the corrections or revisions necessary for payment.

411 ADVANCE FUNDS

IHCD A is not currently issuing advance funds on any Weatherization grants.

412 DOE FINANCIAL MANAGEMENT TOOL KIT

DOE has provided a Financial Management Tool Kit and training to review all Weatherization financial management. The tool kit can be accessed online at <http://www.in.gov/ihcda/2523.htm>

SECTION 500

FUNDING

501 WEATHERIZATION PROGRAM MANAGEMENT

All weatherization work must follow Department of Energy rules and regulations unless exceptions are specifically stated in the policy manual, grant agreement and/or program guidance. Several exceptions are listed in this section 500. Any deviation from DOE guidelines, Indiana Policy and Procedures Manual or the Indiana Field Guide must have written approval from the **Community Programs Manager** prior to working on a unit. This approval only applies to the unit the request was made and must be printed and filed in the client hard copy file.

All Weatherization grants should follow OMB Cost Principles outlined in 2 CFR 230 (OMB Circular A-122), Cost Principles for Non-Profit Organizations. Basic guidelines for costs:

- Costs are allowable if they are necessary and reasonable, not prohibited under state or local laws, conform to laws and regulations, given consistent treatment, comply with generally accepted accounting principles, and are not included as a cost under other Federal programs.
- Allocation of costs must be in proportion to the benefits received, cannot be shifted to overcome deficiencies in other programs, and must be supported by a cost allocation plan.
- Applicable credits are to be used to reduce expenditures applicable to a given grant (i.e. program income).
- The total cost of a grant program is comprised of allowable direct and allowable indirect costs less applicable credits.

502 ALLOCATIONS

DOE and LIHEAP allocations are distributed using the census-based allocation formula for 85% of Weatherization Sub-Grantees contracted funds. The remaining 15% of the allocation is distributed out to those Weatherization Sub-Grantees who meet all of following criteria:

- A. 95% or more of the prior program year contract total must have been expended.
- B. Original, signed, contract Close Out Reports must be submitted on time (45 days after the program year ends), be accurate upon receipt (IHCD DMS and agency Close Out report must match exactly when final claims are processed), and all line items and averages are within allowable limits (production as shown in IWAP and expenditures as shown on the Close Out report and DMS are identical and within program limits). Claims, Close Out Reports, and production must all be on-time, accurate, and allowable in order to meet this criteria for the incentive pool.

- C. Weatherization Sub-grantees must demonstrate at yearly monitoring that a sampling of contractors or vendors are issued payment and that payment is utilized within 45 days of invoice.
- D. All applicable Competencies and Certifications (OSHA, Lead Renovator, etc.) for all Weatherization Sub-grantee and contractor staff are current and active throughout the previous contract year.
- E. A 15% average energy savings as determined by PRISM/BEACon analysis of local Sub-grantee production.
- F. No Weatherization Sub-Grantee operating under a 120-day or modified Quality Improvement Plan (QIP) will be permitted to be included in the incentive pool during the QIP period.

All the incentive pool requirements are in full effect for all current LIHEAP and DOE grants **unless otherwise stated by IHCD**.

IHCD may suspend the use of the incentive pool at their discretion based upon funding levels or anomalies.

Sub-Grantees failing to spend at least 80% of their awarded grant funds could be subject to funding allocation reduction or redistribution at IHCD's discretion.

IHCD will monitor sub-grantee production and expenditure rates throughout each funding cycle and may reallocate funds as necessary in an attempt to ensure proper utilization of funds.

503 LIHEAP PROGRAM MANAGEMENT

503.1 Completion

NOTE: LIHEAP WX grant clients must adhere to the HHS requirement of 150% of the current OMB poverty income level to receive LIHEAP funded services.

Homes may be counted as completions based on three sub-program categories within LIHEAP.

1. **Base Program** - completion occurs when at least \$100.00 in labor and materials have been used. ***The maximum allowable average amount for the Base Program is \$5,000 effective October 1, 2013-September 30, 2014.***
2. **Mechanical Program** – completion is used in conjunction with DOE completions that require *extensive work on the mechanical systems* including the addition of mechanical ventilation to a dwelling. Under LIHEAP, work on the mechanical systems may be completed for health and safety and/or energy conservation reasons. The *minimum* amount to count a home, as a Mechanical Program completion, is \$300.00 spent on the mechanical system. The DOE Base completion that **must** be paired with a Mechanical completion has to be finished by the end of the LIHEAP program year in order to count a

dwelling under this sub-program. **The maximum allowable average amount for the Mechanical Program is \$3,000.00 effective October 1, 2013-September 30, 2014.**

3. **Capital Intensive Program** - completion that charges both the Base work and the Mechanical work to LIHEAP. A minimum of \$100 must be charged to Base measures and a minimum of \$300.00 must be expended on the mechanical system. Work on the mechanical systems may be completed for both health and safety and energy conservation. Capital Intensive costs cannot exceed the maximum average cost per home that is the total of Base Program and Mechanical Program. **The maximum average amount for the Capital Intensive Program is \$8,000.00 effective October 1, 2013-September 30, 2014.**

A home may **not** be counted as **both** a DOE and a LIHEAP **Base** completion.

A home may be counted as a completion under **only one LIHEAP sub-program**. A completion may **never** be counted as **both a Base and a Mechanical completion** within the LIHEAP program. **If both Base and Mechanical sources of LIHEAP funds are used on a unit, this unit will count as one Capital Intensive LIHEAP completion.**

All units where LIHEAP funds are combined with DOE or other sources of funding, the entire weatherization process, including final inspection, must be completed prior to September 30 – the end of the LIHEAP grant.

503.2 LIHEAP Program Expenditure Limits

Budget Categories for LIHEAP include:

- **.1 Administration** – *Actual costs associated with administration include fiscal, executive, support operations, rent, utilities, supplies, etc.* Total claimed may not exceed **6.753%** of the total LIHEAP expenditures.
- **.2 Liability Insurance** – *Actual costs* attributable to the weatherization program, per agency cost allocation plan.
- **.3 Supplies** – *Actual costs of weatherization specific supplies with a unit cost of less than \$5,000.00.* Examples include blower doors, draft gauges, and combustion analyzers.
- **.4 Equipment** – *Actual costs for weatherization specific equipment with a unit cost greater than \$5,000.00,* such as vehicles, may be purchased with this line item. Equipment requires prior written approval from IHCD before purchase.
- **.5 Base Program Operations** – *Actual costs for performance of necessary weatherization measures* as determined by the energy audit with a minimum of \$100.00 in labor and material. Work may include, but is not limited to, air sealing, insulation, and base load measures involved in weatherizing the house.
- **.6 Mechanical Operations** – Actual costs in this item include, but are not limited to, testing and evaluation of combustion appliances, electric heating and hot water heaters including

the addition of mechanical ventilation to a dwelling. The minimum mechanical cost for a unit to be counted as a Mechanical Operations completion is \$300.00.

- **.7 Capital Intensive Operations** – *Actual costs that combine those associated with Base and Mechanical Operations.* A minimum of \$300 must be spent on mechanical repairs and at least \$100 in labor and material on the Base in order to claim under the capital intensive line item.

503.3 Allowable LIHEAP Expenses

IHCDA allows, as a LIHEAP program expense, the costs of eliminating energy related health and safety hazards prior to installation of weatherization materials. Health and safety is not a separate budget line item in LIHEAP and therefore is included in the average cost per home. **Health and safety items are considered as Mechanical expenses under LIHEAP.**

Replacement of *gas cook stoves* will be allowed with LIHEAP funds as a health and safety measure **and must be charged to the Mechanical line item.** **Replacement of the cook stove may NOT be charged to DOE** but must be paid for with LIHEAP funds. *Repair* of the cooking stove may be charged to either DOE or LIHEAP.

IHCDA does not allow DOE **or LIHEAP** funds to be used for replacing air conditioners. Repairs to an *air conditioning* system may only be made when current operation of the AC unit endangers the operation of the furnace. Repairs can be charged to either DOE or LIHEAP.

Under no circumstances will a “buy down” of the cost of a measure be allowed in whole or in part. For the purpose of meeting the SIR requirement by using other resources to reduce the investment in a material or measure, no federal resources or funds (including LIHEAP) may be used to offset the total installation cost. For more details see www.WAPTAC.org - WEATHERIZATION PROGRAM NOTICE 10-17, effective 7/26/10

IHCDA no longer allows LIHEAP or DOE funds to be used to cover any part of the cost for refrigerator replacements.

All questions concerning the available utility or refrigerator replacement programs should be directed to Dan Phillips at INCAA, 1-800-382-9895.

503.4 LIHEAP Reweathering

Sub-grantees may provide weatherization services to a dwelling unit previously weatherized at least **5 years** prior to the beginning of the current LIHEAP program year. (i.e. current grant year starts 10/1/14; a sub grantee may reweatherize a home with LIHEAP funds if it received weatherization prior to 10/1/09). A “rework” is different and is defined in Section 309.

504 DOE PROGRAM MANAGEMENT

All DOE completions are counted as Base Program completions. ***The maximum allowable average cost per home for DOE is \$5,000 effective April 1, 2013 - March 31, 2014.***

504.1 DOE Completion

In order for a home to be counted as a DOE completion and reported to DOE:

1. At least \$100.00 in labor and materials must have been used.
2. Weatherization work must be completed on the shell. This includes, but is not limited to air sealing, insulation of the walls and attic, perimeter, foundation, or floor preparation and insulation, and up to \$500.00 in materials for incidental repairs, **as outlined in Indiana's site built and mobile home work orders.**
3. A final inspection has been performed in accordance with 10 CFR 440.16(g).
4. It has been certified that the work has been completed in a workmanlike manner and in accordance with approved procedures in 10 CFR 440.21, and;
5. All materials have been properly installed.

Agencies are required to complete appropriate base load measures on all homes completed in weatherization. Those measures include, but are not limited to:

- Faucet aerators;
- Low flow showerheads;
- Water heater blankets;
- Pipe insulation;
- Air sealing;
- Duct sealing;
- Compact fluorescent light bulbs.

DOE funds used to abate *health and safety* problems, as defined in Section 309, are to be tracked as a separate line item. These costs are not to be included in the average cost per home. IHCD limits expenditures in Health and Safety budget line to **20% of Base Program Operations expenditures.** All health and safety measures must be charged within the allowable Health and Safety line item.

Furnaces may be replaced for energy efficiency under Base costs. However, agencies must use NEAT/MHEA to calculate the savings-to-investment ratio. A SIR of greater than one must be obtained to justify this expense under DOE. If NEAT/MHEA is used to justify the furnace replacement based upon energy efficiency, the NEAT/MHEA run must be used as the work order for the home.

All units where DOE funds are combined with LIHEAP or other sources of funding, the entire weatherization process, including final inspection, must be completed prior to March 31 – the end of the DOE grant/contract.

504.2 DOE Program Expenditure Limits

Budget categories for DOE include:

- **.1 Administration – *Actual costs***, associated with administration include *fiscal, executive, support operations, rent and utilities, supplies, copying, etc.* This applies to staff engaged in program administration.

Administrative cost will be up to 7% of the total grant expenditures for 2013-2014 DOE funding.

- **.2 Liability Insurance – *Actual costs***, insurance coverage is comprehensive general liability insurance coverage in the minimum amount of \$750,000.00 covering the risks related to the property and personal liability claims of other parties against the insured party. DOE strongly recommends Pollution Occurrence Insurance (also known as a Rider) (POI) as a part of, or as an addendum to, general liability insurance. POI will cover problems with Lead Safe Weatherization or disturbance of other environmental pollutants. This is an optional expense eligible to be charged to the Liability Insurance line item.
- **.3 Fiscal Audits – *Actual costs***, per agency cost allocation plan, attributable to the weatherization program for independent fiscal audit.
- **.4 Base Program Operations** – The cost of weatherizing the house. Agencies may not exceed an **average cost per home of \$5,000** in Base Program Operations. (See OMB Circular A-122 Attachment A and B for details.)
- **.5 Health and Safety** – The cost for the evaluation, repairs, and/or replacement of water heating, furnace or vented space heating systems. This category represents an **additional 20% of Base Program Operations amount expenditures** and is not included in the average cost per home. The primary goal of the program is energy efficiency. The cost of all energy-related health and safety risk mitigation must be charged to the DOE health and safety line, LIHEAP Mechanical or other outside funding sources. All costs must follow DOE WPN 11-6 issued January 12, 2011. See updated Section 300.

Work Order Changes

Work order changes are defined as an item or items needing performed in order to complete a measure identified in the audit yet determined not to be performed on a regular basis. Sub-

grantees shall require that charges for these work order changes are arrived at following proper procurement practices, invoices are itemized by labor and material costs and approval for the item or items are approved by the sub-grantee prior to being performed.

505 WEATHERIZATION DEFERRAL REPAIR PROGRAM

Since November 2010, HUD funding through the CDBG-D program have been made available to DOE sub-grantees. This funding is to be used on Partners for Clean Air, DOE and LIHEAP funded homes already identified as a “deferral” due to physical barriers that prevent the home from being weatherized. IHCD’s intent for these funds is to ultimately reduce the number of deferrals encountered by the weatherization program and ultimately improve both the structural safety and energy efficiency of affected homes. See Section 304 for Deferral Standards.

A second round of funding was provided starting July 1, 2012. This program is managed by IHCD’s Real Estate Division and follows the new Strategic Investment Guidelines. The “Weatherization Deferral Repair Program Guidelines” was updated on 3/10/12. Questions should be directed to the appropriate IHCD Analyst at 800-872-0371.

The 2012 Program Manual can be found at <http://www.in.gov/myihcda/2351.htm>

All future Owner Occupied Rehab funds must be applied through IHCD Real Estate division under the CSBG-OOR application process. The next round will be available in January 2014. Reference IHCD website <http://www.in.gov/myihcda/2429.htm> for additional details and application forms.

506 HOOSIER ENERGY WOOD STOVE PROGRAM

The program supported by Hoosier Energy is available through 2015 with additional counties and funds available in 2013 and 2014. This program is offered to those sub-grantees serving EPA designated counties in southern Indiana. On June 1, 2013, all counties served by Hoosier Energy became eligible. Additional sub-grantees were allocated funds available and current sub-grantees received additional funds based on their qualifying counties. The program supports the replacement of wood stoves and boilers. Current guidelines are listed in sub-grantee grant agreements as Appendix B.

507 STATE-FUNDED INDIANA HOME ENERGY ASSISTANCE PROGRAM

Beginning in October of 2012, and pursuant to I.C. 4-12-1-14.5, a limited amount of funds will be allocated from the State of Indiana’s portion of the mortgage foreclosure multistate settlement agreement to be used in the newly created Indiana Home Energy Assistance Program. A separate Indiana Home Energy Assistance Program Grant Agreement will be issued,

however, weatherization services must be conducted according to the LIHEAP guidelines described in Section 503, except as listed below.

The Indiana Home Assistance Program (“State LIHEAP Program”) guidelines and procedures differ from the guidelines and procedures contained in Section 503 as follows:

1. All State LIHEAP weatherization funds must be used on **owner occupied units**;
2. Completions will be listed in IWAP under a new funding source: **State LIHEAP**;
3. Allowable Administrative costs are 5% of expended grant amount;
4. State LIHEAP cannot be combined with Federal LIHEAP Weatherization grant funds on the same unit; and
5. State LIHEAP can be combined with DOE funding on the same unit following Federal LIHEAP guidelines.
6. There are no Supply or Equipment budget line items.

509 UTILITY PROGRAMS

Weatherization sub-grantees are expected to utilize any and all utility program funds on every eligible weatherization job. Those Weatherization sub-grantees who service territory is covered by a DSM (Demand Side Management) Program should charge eligible costs and measures to the utility funds first. This policy will maximize funds for service delivery throughout the state.

In 2013 CLEAResult, supported by Vectren, **offered** funding for installed measures in designated zip codes. Funding provided through this program is distributed **based upon the contractual agreement between IHCD and Vectren**.

- Sub-grantees must ensure that CLEAResult funds are utilized to enhance their weatherization program. Suggested uses for CLEAResult funding are costs associated with training, dealing with deferral issues or weatherizing additional homes.
 - Should CLEAResult funds be utilized to weatherize additional homes, normal DOE and/or LIHEAP regulations must be followed. In cases where extenuating circumstances exist and flexibility is deemed beneficial, sub-grantees may contact IHCD’s **Community Programs Manager** to request guidance on how to best proceed.
 - All CLEAResult funds must be tracked separately and will be monitored by IHCD to ensure all expenses are appropriate and verifiable.

INCAA manages one Demand Side Management program, Share the Warmth, supported by Vectren. For questions about this program, contact Dan Phillips at INCAA at dphillips@incap.org or 800-382-9895.

510 DOE REWEATHERIZATION

Prior to any weatherization activity, a unit must be evaluated to determine whether previous weatherization services have not been provided after **September 30, 1994**. If services have been provided after this date with Department of Energy federal grant funds, the unit is not eligible for additional weatherization services (reweatherization).

The following actions must be taken on each unit prior to weatherization services to ensure that homes that have received weatherization services after September 30, 1994 are not re-weatherized:

4. Each client's address must be entered into IWAP to identify whether the client's home has been weatherized during or after 2000 (length of IWAP historical records);
5. Each client must be asked whether their home has been weatherized after September 30, 1994; and
6. A visual inspection of each home must be performed by an auditor to identify whether previous weatherization measures have been performed.

If no documented, verbal, visual, or physical evidence of previous weatherization services, the Sub-grantee may proceed with weatherization services on the unit.

If any of the above actions indicates or suspects that weatherization services have previously been rendered in a home, the Sub-grantee must check with the local agency that has historically provided weatherization services in the area to inquire about any records pertaining to services previously provided. Incumbent local agencies must cooperate with these inquiries from IHEDA or from new weatherization service providers, and failure of any Sub-grantee to comply with any such request could result in immediate suspension of payments under its DOE award agreement or termination of its award agreement by IHEDA.

511 FUNDING SOURCE COMBINATIONS

The funding sources for weatherization and their sub-programs may be combined on any one weatherization job, in order to provide flexibility and to ensure that an individual dwelling can receive all appropriate measures as determined by the energy audit. The following are the allowable funding source combinations:

1. DOE Base + LIHEAP Mechanical
2. DOE Base + Weatherization Deferral Repair Program
3. DOE Base + LIHEAP Mechanical + Weatherization Deferral Repair Program
4. LIHEAP Base + Weatherization Deferral Repair Program
5. LIHEAP Capital Intensive + Weatherization Deferral Repair Program
6. DOE Base + State LIHEAP Mechanical
7. DOE Base + State LIHEAP Mechanical + Weatherization Deferral Repair Program

Note:

- Any one unit can only be counted as a completion in two funding sources.

Examples of how to combine various funding streams are given below.

- A home is weatherized under DOE Base Program. The Mechanical work, totaling \$600.00 is completed under the LIHEAP Mechanical Program. The Base work would be charged to DOE, including all related labor. The Mechanical work, including labor, would be charged to LIHEAP. This would be a completion under the DOE Base Program and also under the LIHEAP Mechanical Program.
- The home is weatherized however the mechanical costs are \$275.00. The Base work may be completed under either the DOE or LIHEAP Base Program. The costs for the mechanical work can be charged as health and safety costs which are not included in the average cost per home for DOE. Since the cost for the mechanical work is less than \$300.00 it will not count as a LIHEAP Mechanical completion.
- The Base work was completed under LIHEAP and the home required \$2,000.00 in mechanical work. The mechanical work could be charged to LIHEAP Mechanical resulting in a LIHEAP Capital Intensive completion.
- The same home in the previous example could be completed as a LIHEAP Capital Intensive unit and counted once as such. Or the Base work could be completed under DOE and the Mechanical work under LIHEAP Mechanical and counted as a completion under both programs.
- A home is audited but was deferred for DOE due to roof issues. This client can have the roof repair issues corrected by the client or through the Weatherization Deferral Repair Program. Once the Deferral Repair Program repairs are completed, the home can be weatherized with DOE or LIHEAP funds.

Section 600

Training

601 IMPORTANCE OF TRAINING

Due to the technical and changing nature of the Weatherization Assistance Program (WAP), a high priority has been placed on the training aspect of the program. In Indiana, training is offered by the Indiana Community Action Association (INCAA). Lead based paint risk assessor/inspector training and OSHA 10 & 30 hour training are offered by the Environmental Management Institute (EMI). Classes of both organizations combine lecture and applied field demonstrations of the concepts discussed in the classroom in order to provide theory and application to weatherization staff and contractors.

Technical assistance which provides guidance on particular problems found in the field is a strong component of the WAP. Training and technical assistance in the field may be provided by either INCAA training staff or IHCDAs personnel depending on the issue and/or contractual commitments.

Agencies are strongly encouraged to take full advantage of the opportunities available to them for program enhancement and improvement through training and technical assistance. IHCDAs has taken a strong position that the Weatherization Assistance Program will maintain its level of technical expertise only through the continued emphasis on its Training and Technical Assistance component.

Training and monitoring are the tools that IHCDAs uses to ensure that weatherization measures are applied consistently and that Indiana maintains a high standard of work. Along with increasing flexibility in the combining of funds, IHCDAs has implemented training requirements to help ensure that monies provided are used on weatherization measures that will guarantee energy savings. By including all staff and contractors in this process, it will assure organizational performance while providing the means for evaluating our achievements, as well as developing plans to improve upon our successes.

602 MINIMUM TRAINING REQUIREMENTS

Working in conjunction with DOE's Weatherization Job Tasks Analyses and INCAA's efforts to become accredited as a National Weatherization Training Center, IHCDAs, in cooperation with INCAA, has developed Indiana Weatherization Competency Standards.

- The following four categories of workers exist in Indiana's Weatherization Competency Standards:
 - Auditors
 - Retrofit Installers (Shell and Mechanical)
 - Crew Leaders (Required for Shell only)
 - Final Inspectors
- **Indiana Weatherization Competency Standards:**
 1. **Those required to pass competency standards:**
 - All individuals working within the Indiana Weatherization Assistance Program in the categories of Auditor, Retrofit Installer (Shell and Mechanical), Crew Leader and Final Inspector are required to pass and maintain competency in the category in which they work.
 - Sub-grantee staff and/or contractors who obtain an existing BPI Certification through INCAA as Building Analyst, Building Technician or Heating Technician will not be required to pass the competency testing for auditor or retrofit technician until their current BPI/INCAA certification expires. IHCD strongly recommends all BPI/INCAA certified Building Analyst, Building Technicians, and Heating Technicians begin the process for becoming Indiana Weatherization Competent at least six months prior to the BPI/INCAA Certification expiration date.
 - As BPI/INCAA certifications expire, those individuals will be required to become Indiana Weatherization Competent in the category(s) in which they work. This being their initial competency they will be required to attend the appropriate training and pass both the written exam and skills verification testing.
 - Individuals who have expiring BPI/INCAA Heating Technician (HT) Certifications may take a one day refresher course at INCAA and then proceed with taking the written exam and performing skills verification testing.
 - The BPI/INCAA certifications do not cover the final inspector or crew leader competency categories. Everyone performing final inspections or working as a crew leader must train for and pass the Indiana Weatherization Competency for these two categories.
 - All individuals desiring to become Indiana Weatherization Competent must be working with/for (staff and/or contractors) an IHCD funded sub-grantee (with Weatherization funding) in order to train for and achieve being Indiana Weatherization Competent.

- In-take staff, fiscal staff, and clerical staff **are not** required to pass competency training.
- Workers who are performing limited, rarely utilized services such as specialty plumbers, exterminators, mold remediation, or specialty electricians **are not** required to pass competency training.
- Specialty contractors whose work results in changes to exhaust systems, ventilation systems or the tightening of the home **are required** to complete the Daily Safety Test Out (DSTO) training at INCAA and **are required** to complete a DSTO form upon completing their work on the home.
- IHCD **does allow** the use of a Mechanical Helper effective May 1, 2013. The Mechanical Helper is defined as an individual who only performs tasks such as helping remove old heating equipment and/or ductwork, assist with carrying tools and equipment to/from the home, and other work not related to testing, commissioning or adjusting heating systems. The Mechanical Helper is not allowed to be left at the home unsupervised, must be working with either a BPI/INCAA Heating Technician or Indiana Competent Retrofit Installer-Mechanical technician and is not allowed to perform any diagnostic testing, CAZ testing, or adjustments to/of heating systems. Sub-grantees are responsible for tracking the names and use of Mechanical Helpers. Sub-grantees must also ensure that the names of Mechanical Helpers are listed in the client file for each home worked in as required in Section 607 below.
 - It is the sub-grantees and the certified/competent technician's responsibility to ensure that the Mechanical Helper is properly supervised and utilized.
 - The Mechanical Helper must have a background check performed prior to working in a client's home as outlined in section 610.

603 TRAINING REQUIREMENTS

- Testing will be performed at the end of each class offered through INCAA. This testing is required as part of INCAA's efforts to become a nationally accredited training center and follow DOE's National Training/Certification Program. Test results will be tracked by INCAA and will be available to IHCD, the sub-grantee Weatherization Program Manager and the sub-grantee Executive Director upon request.
 - Sub-grantee Executive Directors and Weatherization Program Managers may only request and view testing results for their employees or sub-contractors.

- **Time Limits for becoming Indiana Weatherization Competent**

- All sub-grantee staff/contractor new employees will have six months commencing 45 days from their date of hire to become Indiana Weatherization Competent in the category(s) they are working in.
 - Sub-grantees are allowed to enroll new staff/contractor employees in training prior to the expiration of the 45 days if they choose to do so. This decision should be based upon the expectation that the new staff/contractor employee will be retained in their new position.
 - Sub-grantees may shorten the 45 day grace period to 30 days provided this shortened time period is approved by IHCD and included in the sub-grantee's policy and human resources manuals.
- All sub-grantee staff/contractor employees must have a completed background check prior to being allowed to work in/on client homes.
- **Individuals not identified as working with an IHCD funded sub-grantee providing Weatherization services will not be allowed to participate in training or testing toward becoming Indiana Weatherization Competent.**
 - Exceptions to this requirement will only be allowed on a case by case basis. Should an exception be desired or felt necessary, permission from IHCD must be granted prior to attending training and pursuing competency verification.

- **Testing Parameters**

- Becoming Indiana Weatherization Competent will require passing both a written exam and a skills verification event. The skills verification event will involve performing skill sets associated with the competency category being tested.
 - Both the written test and the skills verification event are pass/fail. There will be no provisional results given.
 - Should re-testing of the skills verification be necessary only the portion failed by the candidate will need re-tested.
 - Should re-testing of the written test be necessary the entire written test must be completed. Certain categories of competency utilize more than one test. For these

competencies candidates will be given a different test on their second attempt.

- All testing results will be sent to the candidate, the sub-grantee Weatherization Program Manager and the sub-grantee Executive Director.
- Candidates will only have two opportunities to pass all testing to become Indiana Weatherization Competent. Failure to pass competency on the second attempt will result in that individual no longer being allowed to work in Indiana's Weatherization Assistance Program.
 - If the individual testing for one competency holds another competency yet fails the second attempt for the additional competency, the individual would be able to continue working in the competency that has been achieved. For example, an individual has become Indiana Weatherization Competent as an Auditor. This same individual tests to become a final inspector but fails both attempts. This individual would be allowed to work in Indiana's Weatherization Assistance Program as an auditor but not perform final inspections.
- Should a second attempt at passing competence be needed, the second attempt shall take place no later than three months following the initial attempt.
- IHCD will only pay for the first attempt for an individual to pass competency. In the case of a failed attempt, the sub-grantee or contractor will be responsible for the cost of additional classes and the second test procedure.
- Competency testing must take place no later than the conclusion of the six month training period commencing 45 days from their hire date.

- **Class Recommendations**

- Individuals new to Weatherization attempting to obtain the Retrofit Installer Shell Competency are strongly encouraged to complete Daily Safety Test-Out (DSTO) training prior to performing skills verification testing.
- Individuals attempting to obtain the Auditor Competency are strongly encouraged to complete Mechanical Systems for Auditors prior to performing skills verification testing.

604 DURATION, MAINTENANCE, AND RECORDKEEPING

- Each competency will be in effect for three years
 - At the end of the three year duration each competent individual must re-test and pass the skills verification portion of their competency (s).
 - Each candidate will have two opportunities to pass the skills verification portion of their competency (s).
 - IHCD will only pay for the first attempt for an individual to pass competency. In the case of a failed attempt, the sub-grantee or contractor will be responsible for the cost of the second testing event.
- All Indiana Weatherization Competent individuals are required to attend an Annual Competency Maintenance Training in years two and three of their competency(s).
 - This training will replace the former Certification Maintenance Training. This training will however meet the requirement of an annual refresher for those BPI/INCAA certifications still in force.
- All Indiana Weatherization Competent individuals must acquire 24 hours of continuing education per year (April 1 – March 31).
 - Record of additional training hours must be tracked by the sub-grantee for their crews and contractors.
 - The following is a list of examples of training that would apply toward the 24 hours of continuing education:
 - National DOE Conference
 - Affordable Comfort Conference
 - Annual Competency Maintenance Training
 - Indiana Healthy Homes Conference (Lead Base Paint, Mold, etc.)
 - INCAA Weatherization Training (INCAA courses count six hours per day of training)
 - Semi Annual Technical Training (SATT)

- Please note that this is not an exhaustive list. Questions regarding whether or not a particular training would/should apply toward the 24 hours of continuing education should be directed to IHCDCA prior to attending the training.
 - Questions regarding industry specific training being allowed to count toward the 24 hours of training should be directed to IHCDCA.
- Each IHCDCA sub-grantee is responsible for accurately tracking all staff and/or contractor competencies and certifications.
 - This tracking must include the following information:
 - Individual name and competency(s) held
 - Date competencies expire
 - Hire date
 - Attendance at Annual Competency Maintenance Training
 - Current BPI/INCAA Certifications where applicable
 - Record of training for 24 hours of continuing education
 - IHCDCA monitors will verify competency records and qualifications of all sub-grantee staff, crew members and contractors during monitoring visits.

605 ADDITIONAL COMPETENCY/TRAINING REQUIREMENTS

- IHCDCA staff and contracted monitors responsible for evaluation of sub-grantee administrative and technical performance are required to complete at least twenty (20) hours of training per year, ten hours of which must be Weatherization Technical Training.
 - IHCDCA staff and contracted monitors responsible for evaluation of sub-grantee technical performance are required to be Indiana Weatherization Competent as both an Auditor and Final Inspector.
- Weatherization Program Managers responsible for the administration of the Weatherization Assistance Program at the sub-grantee level are required to attend all Semi-Annual Managers Meetings (SAMM) as well as any other required administrative offerings provided by IHCDCA. If a Weatherization Program Manager is not able to attend any required training, an appropriate representative from the sub-grantee must attend in their place. SAMM's will be held no more often than twice per year and other administrative courses will be held as deemed necessary by IHCDCA. When possible, IHCDCA will

attempt to host trainings via webinar, video conferencing, distance learning, or conference calls.

- Each sub-grantee is required to send at least one technical representative for their field staff/contractors to all Semi-Annual Technical Trainings (SATT). All field staff and contractors are encouraged to attend when not otherwise restricted by IHCD. SATT's will be held no more often than twice per year unless additional training is deemed necessary by IHCD.
- All staff or contractors subject to the competency training outlined earlier in this chapter are required to attend Lead Safe Work Practices and Mold & Moisture Assessment within the first six months of employment.

606 ADDITIONAL TRAINING OPPORTUNITIES

- IHCD will continue to offer, through INCAA, additional courses which will address specialized training needs in one to five-day class formats. Course subjects, course descriptions, length of classes, prerequisites, and course schedules are located on INCAA's web site at incap.org under the Weatherization Training link.
- All sub-grantee staff/contractors requesting training must be properly approved by the sub-grantee's point of contact. This process begins electronically once a request to attend training is completed.
- Classes are filled on a first come-first served basis. Once a class is filled, sub-grantees are encouraged to place those needing training on the waiting list so that existing classes can remain full if there are cancellations and future classes can be scheduled to meet the demand. To be placed on the waiting list individuals must register and be approved for the class.

607 COMPLIANCE ISSUES

- IHCD's monitors will evaluate compliance with competency and other required training during regular monitoring visits.
- If a sub-grantee fails to meet the Indiana Competency Training requirements or is found to have an individual or individuals working or worked on a weatherization home without the required Indiana Competency Training IHCD may take, but not be limited to, the following steps:
 - Issue a written finding with a timeline for resolution of the non-compliance issues

- Require re-works or re-inspections at the sub-grantee/contractor expense
- Require repayment of all funds claimed for the affected Weatherization work
- Hold the sub-grantees weatherization financial claims until all issues are properly addressed
- IHCD monitors will review sub-grantee compliance through sub-grantee files (tracking) and INCAA training records. It is the responsibility of the sub-grantee to identify within the client file each individual(s) who completed the initial audit, shell and mechanical work (including everyone performing work), pressure diagnostics of the home, who evaluated the combustion appliances and performed the interim (when necessary) and final inspections.

608 LEAD BASED PAINT

- Every sub-grantee is required to be in compliance with the Environmental Protection Agency's (EPA) Lead Renovation, Repair, and Painting Rule (RRP). All contractors performing work where de minimis levels of assumed and/or confirmed lead based paint will be disturbed must be an EPA Firm and comply with the EPA RRP Rule. Details regarding compliance and requirements can be found at the EPA's RRP site <http://www.epa.gov/lead/pubs/renovation.htm>
- All HUD properties receiving Weatherization services must follow HUD lead based paint rules.
- IHCD Minor Paint Disturbance Policy:
 - All homes built prior to 1978, where paint will be disturbed and the paint is either verified or assumed to be lead based paint, the following lead safe work practices, at a minimum, shall be used:
 - Lay 6 mil plastic 10' beyond the area where paint is disturbed – exterior
 - Lay 6 mil plastic 6' beyond the area where paint is disturbed – interior
 - Wet the area of paint being disturbed
 - Wet all paint chips prior to clean up and removal
 - Limit access to the area where paint is being disturbed
 - Ensure that all proper personal protective equipment is used
 - Ensure proper disposal of trash and material

- Provide pictures for the client file showing use of lead safe work practices
 - Use the XRF to limit the need for lead safe work practices
- IHCD requires that each sub-grantee maintain the following:
 - Obtain and maintain Lead Firm Status through the EPA
 - Have at least one Weatherization staff member who has achieved Renovator certification
 - Have at least one Weatherization staff member who is a licensed Lead Risk Assessor and capable of performing lead test with the Niton XRF Analyzer

609 OSHA TRAINING

- In accordance with DOE's Health & Safety requirements outlined in WPN 11-6, IHCD requires OSHA 10 hour and OSHA 30 hour training for the following individuals:
 - **OSHA 10 hour training:** Required for all Weatherization workers who work in the home. This includes auditors, final inspectors, shell workers, and mechanical workers. For newly hired employees this training must be completed within the first six months of employment commencing 45 days from hire date.
 - **OSHA 30 hour training:** Required for all crew supervisors and HVAC employees working alone. Crew supervisors are those individuals who serve in the capacity of an onsite supervisor monitoring and directing onsite work and safety practices. For newly hired crew supervisors and HVAC employees working alone this training must be completed within the first six months of employment commencing 45 days from hire date.

610 BACKGROUND CHECKS

- In order to protect the safety of clients receiving weatherization services, sub-grantees must perform a criminal background check and employment verification prior to the employment of sub-grantee/contractor employees planning to work with clients or in the home of client's being rehabilitated or weatherized as a part of Indiana's Weatherization Assistance Program.

The criminal background report must contain a criminal background check which includes the following:

- State and county records from all 50 states including data from courts, sexual offender registries and department of correction records
 - An Indiana criminal history check which contains records of criminal convictions or currently pending criminal charges in counties throughout the State of Indiana
 - A Social Security Number (SSN) Trace which provides names and addresses associated with a social security number along with the date and state of its issuance (this is a tool to aid in verifying the identity and location of a particular applicant)
 - Confirmation of employment dates and job titles held with previous employers, the reason for leaving, and eligibility for rehire, if available.
 - Sub-grantees must use careful consideration when analyzing the results of the reports and prohibit employment of anyone convicted of violent offenses (including but not limited to aggravated battery, physical assault, use of weapons, home invasion, rape, murder, burglary, robbery) or appearing in any sex offender registry.
 - Sub-grantee Weatherization Program Managers are encouraged to work with their Human Resources and Executive Staff personnel to develop acceptable hiring practices based upon background check results.
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- It is the sub-grantee's responsibility to ensure that this background check is performed and properly tracked for all sub-grantee weatherization staff and contractor employees.

611 DOE NATIONAL CERTIFICATIONS

- DOE is rolling out their Quality Control Inspector (QCI) national certification during 2013. The requirement for completions to be inspected by DOE QCI certified individuals is April 1, 2015. It is IHCD's intention, working with INCAA, to have one (1) DOE QCI certified individual at each Weatherization sub-grantee by April 1, 2014.
- IHCD and INCAA will work during late 2013 through early 2014 to write and implement policy that will integrate DOE's national certifications for QCI and Energy Auditor into Indiana's Weatherization Competency Standards. IHCD intends to complete and implement new guidance for these competencies and certifications no later than April 1, 2014.

SECTION 700

MONITORING

701 QUALITY ASSURANCE

The primary purpose of monitoring visits is to assist the Weatherization Sub-grantee in providing high quality energy conservation services to low-income people. Monitoring also provides compliance review and information sharing to Weatherization Sub-grantees to ensure that:

- High quality, comprehensive weatherization services are provided consistently throughout the state.
- Healthy, safe, and energy efficient housing improvements are provided to low-income households.
- Program accountability and efficiencies are in effect and verifiable
- Innovative technological advances are promoted.

702 STANDARDS AND PRACTICES

Program Monitoring: IHCD will perform real-time Program Monitoring for each Weatherization Sub-grantee at least once a year. The program monitoring includes a review of Program Administration, Procurement, Training & Licensing, Database Input, Fiscal Information, Client File Review and Field Inspections. At least 10% of completed client files will be reviewed. Each area of the Program Review is explained in more detail below.

- **Program Administration** – IHCD will review agency policies as they apply to awarding priority, wait list maintenance, rental policies, and client redetermination.
- **Procurement** – This section covers materials procurement and selection; contractor selection, procurement, and evaluation; price lists and written procurement standards. **Please reference Section 800, sub-section 807.1 of this manual for additional information.**
- **Training and Licensing** - IHCD monitors will review whether the Weatherization Program Manager is using appropriately trained/competent staff to perform various job functions. The use of subcontractors will be reviewed to determine compliance with job function training requirements as outlined in *Section 600* of this manual. Monitors will also review contractors for compliance with local licensing standards. Agency lead based paint practices and compliance with EPA and HUD regulations will also be reviewed.
- **Database Input** – A selection of the client files are checked to ensure information from the client files is getting entered into the IWAP database accurately and completely.
- **Fiscal** – IHCD will be checking for appropriate payment processing as specified in *Section 500* of this manual. Monitors will also be looking at grant utilization to make sure funding is utilized in allowable combinations, that Weatherization Program Managers have made use of all utility dollars first, that contractors are paid within the allowable payment period, and that the back-up documentation provided with claims is appropriate to the claim made.

- **Client File Review** – Files will be pulled at random from completions entered into the weatherization software. These files will be checked for correct forms, accurate information, appropriate work processes, and eligibility verification. Monitors will also request a sampling of deferred files to review for appropriate documentation and appropriate deferral. A minimum of 10% of all completed units will be reviewed.
- **Field Inspections** (See Technical Monitoring below) – IHCD staff will conduct on-site inspections of a sample of dwellings pulled from the file review or at random from the IWAP database. The purpose of this monitoring is to ensure that weatherization services are provided in a professional manner in compliance with all standards, regulations and policies set forth by IHCD. The local sub-grantee is responsible for quality control on all completed units and the final inspection completed by staff or contractors attests to the level of quality, professionalism, and appropriateness of all measures performed. The field inspection will cover the appropriateness of Base Load, Shell, and Health and Safety measures. During the field inspection, IHCD staff will be checking for all invoiced materials, justification for the number of labor hours charged, initial and final audit detail, adherence to technical standards, and accuracy of agency diagnostics.
- A copy of the Program Monitoring Tool utilized by IHCD's monitor can be found at the end of this manual as *Appendix F*.
- **Training and Technical Assistance (T&TA)** – The purpose of T&TA is to provide agencies with assistance in the technical aspects of the weatherization program. IHCD monitors are available for consultation via the phone or email on a daily basis. If agency personnel feel it necessary, and time allows, IHCD monitoring personnel may be available for T&TA visits to the sub-grantee.
- **Quality Improvement Plan** – Program Monitoring visits uncovering serious, numerous or recurring findings may result in the agency being placed on a 120-day Quality Improvement Plan [QIP]. The intent of the QIP is to help the agency improve the areas of deficiency. As part of the QIP, IHCD monitors will make additional visits to the agency during the 120-day period to ensure changes are being implemented and all noted findings are being resolved. The QIP may be extended or modified as deemed necessary by IHCD to accomplish the needed sub-grantee improvement. IHCD also reserves the right to issue a modified QIP, which could encompass fewer visits or a modified timetable.

Technical Monitoring: IHCD will perform real-time Technical Monitoring for each Weatherization Sub-grantee at least once a year. Technical Monitoring will evaluate the appropriateness of Base Load, Shell and Health & Safety measures. The Technical Monitoring will also review and inspect for all invoiced materials, justification for the number of labor hours charged, initial and final audit detail, adherence to technical standards and accuracy of sub-grantee diagnostics. Additionally the Technical Monitoring will cover the quality, professionalism and appropriateness of all measures performed or installed. A minimum of 5% of all completed homes will be monitored.

- Sub-grantee responses to technical findings MUST include documentation verifying that all findings have been corrected.
- IHCD's monitor will, when possible, incorporate in-progress visits to client homes as part of the Technical Monitoring visit.

- If a client is a “no show” for a scheduled Technical Monitoring visit, an in-progress visit shall be performed during the time of the original appointment. It is the sub-grantees responsibility to know the locations where their contractors or crews are working to facilitate the in-progress visit under these circumstances.
- **Quality Improvement Plan** – Technical Monitoring visits uncovering serious, numerous or recurring findings may result in the agency being placed on a 120-day Quality Improvement Plan [QIP]. The intent of the QIP is to help the agency improve the areas of deficiency. As part of the QIP, IHCDAs monitors will make additional visits to the agency during the 120-day period to ensure changes are being implemented and all noted findings are being resolved. The QIP may be extended or modified as deemed necessary by IHCDAs to accomplish the needed sub-grantee improvement. IHCDAs also reserves the right to issue a modified QIP, which could encompass fewer visits or a modified timetable.

703 MONITORING PROCESS FOR STANDARD DOE ALLOCATIONS

Program Monitoring

IHCDAs monitoring staff prepares the monitoring schedule and contacts each sub-grantee to establish the necessary appointments. Requests for Program Monitoring include notification of the client files chosen for review and all additional information such as financial, procurement, training, etc. Upon completion of the Program Monitoring IHCDAs monitor will perform an exit interview to summarize any issues discovered during the monitoring and offer suggestions for improvement. Within thirty business days of the exit interview IHCDAs will issue a written report to the sub-grantee. The sub-grantee will then have fifteen business days as outlined within IHCDAs report to respond in writing to IHCDAs. Upon receiving the sub-grantee’s response, IHCDAs monitor will review the documentation and clear the monitoring as warranted. If additional information is required from the sub-grantee, IHCDAs will issue a follow-up response detailing what information is needed with an appropriate deadline for the response. This process will continue until all items in the report are cleared and the monitoring closed.

Technical Monitoring

IHCDAs monitoring staff prepares the monitoring schedule and contacts each sub-grantee to establish the necessary appointments. Requests for Technical Monitoring include a list of desired homes to visit as well as alternates should clients not be available the date of the visit. Upon completion of the Technical Monitoring IHCDAs monitor will perform an exit interview to summarize any issues discovered during the monitoring and offer suggestions for improvement. For Technical Monitoring visits, an exit interview may be delayed, conducted via telephone or other means as situations permit and the parties agree. Within thirty business days of the exit interview IHCDAs will issue a written report to the sub-grantee. The sub-grantee will then have fifteen business days as outlined within IHCDAs report to respond to IHCDAs. Upon receiving the sub-grantee’s response, IHCDAs monitor will review the documentation and clear the monitoring as warranted. If additional information is needed from the sub-grantee IHCDAs will issue a follow-up response detailing what information is needed with an appropriate deadline for response. This process will continue until all items in the report are cleared and the monitoring closed.

704 LIHEAP PROGRAM AND TECHNICAL MONITORING

Monitoring for LIHEAP and STATE LIHEAP funds will be performed in conjunction with DOE monitoring and/or as deemed necessary by IHCD. LIHEAP and STATE LIHEAP monitoring practices will be the same as outlined above for DOE with the exception of the percentage of client file and technical completions monitored. The percentages for client file and technical monitoring will be determined by IHCD based upon funding levels and sub-grantee performance.

705 MONITORING NOTES

- IHCD reserves the right to question all associated costs and may require that the sub-grantee repay grant funds to IHCD out of private agency funds or non-federal dollars. Examples for repayment are the following: insufficient justification for work performed, insufficient documentation, ineligible clients, lack of adherence to policy or Federal guidelines or negligence is evident resulting in a dangerous condition for a client.
- IHCD monitoring staff may use alternate procedures or request additional information to verify compliance when it is necessary or deemed appropriate.
- Failure by the sub-grantee to respond in writing to the monitoring report by the established deadline may result in claims being held by IHCD until the proper response is received.

SECTION 800

REPORTING

801 MONTHLY AND QUARTERLY REPORTING

Data for production and claims should be added to Indiana Weatherization Assistance Program (IWAP) (*Section 810*) and IHCDOnline (*Section 811*) on an ongoing basis. Timely entry of all weatherization information ensures that current data is relayed to the appropriate federal funding source and in turn is used by the federal government to justify future appropriations. IHCD is currently required to submit monthly written reports to the Dept. of Energy.

Production Reports that are used for monthly reporting to DOE include: Closeouts (*section 404*), Desktop Monitoring (*section 803*) and Spending/Production Benchmarks (*section 804*). Reports are pulled weekly, monthly and quarterly by IHCD from the IWAP database and IHCDOnline to review production and spending information recorded by sub-grantees. Sub-grantees are **strongly encouraged to enter completions into IWAP within thirty days of the final inspection.**

802 REPORTING REQUIREMENTS TIMELINES

IHCD is required to report on sub-grantee progress on an ongoing basis. Reporting is completed in the IWAP database and IHCDOnline system. The following is a list of Reporting Requirements:

Daily/Ongoing	Completions entered in IWAP
Monthly	Online Claims

803 DESKTOP MONITORING

IHCD is required to closely monitor and frequently report progress on each grant. A consistent level of production, spending and reporting throughout the grant year is indicative of good program management and demonstrates that a sub-grantee is able to efficiently manage available resources. IHCD emphasizes the importance of blending all sources of funding throughout the year and attempting to use LIHEAP funds in conjunction with each DOE unit.

IHCD will examine sub-grantee's monthly and quarterly status on production, spending/claims and reporting. This information along with incentive pool qualifications and technical monitoring results will be taken into account when issuing grants, distributing additional funds as they become available or under circumstances when IHCD, in its sole discretion, deems it is necessary to de-obligate and/or re-distribute all or any portion of a sub-grantee's grant funds.

804 SPENDING AND PRODUCTION BENCHMARKS

IHCDA's goal is to expend the total amount of allocated funding for each funding source by the end of each grant cycle. Quarterly and/or monthly spending or production benchmarks and dates have been established for each funding source and will be included in all grant agreements.

Monthly desktop monitoring will review progress towards these benchmarks. A quarterly email or phone call will be sent to each sub-grantee that has not met its spending or production benchmarks. For those sub-grantees who are substantially under-spent or under-produced, a request may be made for a meeting and/or conference call with the IHCDA **Chief Community Programs Officer, Community Programs Manager, Chief Operations Officer** and/or the Executive Director to discuss its progress on the program. Additionally, IHCDA may require additional planning documentation and reporting. Under circumstances where a sub-grantee fails to display adequate progress and/or fails to provide a definitive plan for the remainder of the grant period, IHCDA reserves the right to decrease the amount of the grant and reallocate funds to other sub-grantees. Funding for all grant programs will be reconsidered on a quarterly basis.

805 RECORD RETENTION AND DISPOSAL

Sub-grantee shall maintain all records relative hereto during the effective period of each grant agreement and for a period of three (3) years from the date sub-grantee submits to IHCDA its final financial status report, or one (1) year from the resolution of any outstanding administrative, program or fiscal audit question, or legal action, whichever is later. The retention period for records relating to any equipment authorized to be purchased with grant funds begins on the date of the disposition, replacement, or transfer of such equipment (including vehicles).

Sub-grantee shall protect all electronic and hardcopy documentation containing confidential client information. Confidential information means any individually identifiable information, about the participants who receive services and/or assistance from grantees and/or sub-recipients of the IHCDA. Sub-grantee shall properly dispose of any electronic or hard copy documentation containing confidential client information after the required retention period. A "proper" disposal of this information is one that is reasonable and appropriate to prevent any unauthorized access to confidential client information. Approved disposal methods include:

- Burn, pulverize, or shred papers containing confidential client information so that the information cannot be read or reconstructed;
- Destroy or erase electronic files or media containing confidential client information so that the information cannot be read or reconstructed;
- Conduct due diligence and hire a document destruction contractor to dispose of confidential client information.

806 REQUIRED FORMS ON FILE

All sub-grantees must execute and submit the following forms at least annually and update as necessary. All forms can be requested through IHCD from the Community Program Specialist or Community Program Analyst. The following forms must have an original signature. No faxed, scanned or stamped signatures will be accepted. The following forms are required for each grant agreement with IHCD:

1. Authorized Signature Form – Person(s) authorized to sign grant agreement and claims – must be notarized for each signer
2. Direct Deposit Form – account where claim payments will be deposited
3. Tax Form W9 – Request for Taxpayer Identification Number and Certification
4. Registered CCR and DUNS Numbers (numbers only no signature necessary)

807 CONTRACTOR PROCUREMENT, PRICE LISTS, RESPONSIBLE CONTRACTORS

Sub-grantees must follow proper procurement procedures when acquiring goods and/or services for the weatherization program. See grant agreement Section III, J and 10 CFR 600 Subpart B for federal rules and regulations concerning procurement.

To assist this process, DOE issued a Procurement Tool Kit in 2009 and updated it in 2012 that provides templates, checklists and guidance for procurement of weatherization materials and services. For download the DOE Procurement Tool Kit or documents, see IHCD, Energy website at <http://www.in.gov/ihcd/2523.htm>

807.1 Contractor Procurement and Price Lists

Sub-grantees must either bid each weatherization job individually or develop a price list for contractor costs. If a price list is developed, each sub-grantee must follow federal regulations as outlined in 10 CFR 600, rebid at least every two years and perform a cost analysis of its current price list. Written procedures and documentation must be maintained at the sub-grantee's office and provided to IHCD or DOE upon request.

Whether the sub-grantee chooses to bid out each job or work off of an established price list, sub-grantees must establish in their written procedures whether their process for accepting contractors is open year round, once per year or multiple times per year. If each home is individually bid, copies of all bid packets must be included in the client file.

The following procedures must be included in Contractor Procurement and Establishment of a Price List:

- Must be publicly bid with advertising using newspapers, websites or hard copy and be available for at least three (3) business days.
- Fair and open competition must be provided.

- The process must take place annually.
- If bid packets will be mailed or emailed to existing contractors, a list must be kept of interested contractors.
- The solicitation must include a clear and accurate description of the service or material being procured.
- Written selection procedures must be established and available for review.
- Deadlines must be established and adhered regarding responses to packets.
- A cost or price analysis must be performed for each procurement or the sub-grantee may establish an annual price list.
- Materials and labor are the most common items to be bid out for a price list.

Miscellaneous items are optional price list items. If they are not included on a price list, the sub-grantee must demonstrate that prices paid for both labor and materials are reasonable based upon market prices.

807.2 Responsible Contractors

All contractors awarded contracts by weatherization sub-grantees must annually review their contractors against the federal contractor disbarment list accessed at <https://www.epls.gov/>. If a contractor is listed on the Excluded Parties List System website, sub-grantees should not enter into a contract for goods or services paid with DOE or LIHEAP funds.

808 VEHICLES, EQUIPMENT, SUPPLIES

808.1 Inventory of Equipment and Vehicles

Sub-grantees are required to compile and maintain, on an annual basis, an inventory of all capital equipment (including vehicles) and supplies in sub-grantee's possession purchased with federal or IHCD funds. IHCD defines equipment as tangible, nonexpendable, personal property having a useful life of more than one (1) year and an acquisition cost that exceeds \$5,000.00. Supplies are defined as all tangible personal property other than "equipment" as defined above. An inventory must be maintained at the sub-grantee's office and provided to IHCD upon request. The inventory will include:

1. A brief description of the property;
2. A manufacturer's serial number, model number, federal stock number, national stock number, or other identification number of the property;
3. The **funding** source of the property, including the award number;
4. Whether the sub-grantee, IHCD or federal government holds the title;
5. The acquisition date (or date received, if the equipment was furnished by the federal government);

6. Information from which one can calculate the percentage of federal participation in the cost of the equipment (not applicable to equipment furnished by the federal government);
7. The location and condition of the property and date the information was reported;
8. Unit acquisition cost; and
9. Ultimate disposition data including the date of disposal and sales price.

Sub-grantees will be required to submit all relevant depreciation schedules applicable to the audit period at the time its independent audit report is submitted. Sub-grantees should develop an inventory control system that includes adequate safeguards to prevent loss, damage or theft of the property and maintain adequate maintenance procedures to keep property in good condition. Sub-grantees further agree to comply with any additional requirements that IHCDCA may deem necessary with respect to the management and distribution of equipment purchased. Sub-grantees may not purchase or maintain inventory which exceeds an amount necessary for the performance of this agreement. An annual review of inventory will be sent by IHCDCA to sub-grantees who have purchased vehicles and equipment.

808.2 Use of Equipment and Vehicles

- Any equipment and supplies purchased with federal or IHCDCA funds shall be used by the sub-grantee in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds. When the equipment is no longer needed for the original program or project, the equipment may be used in other activities or programs currently or previously supported by a Federal agency, provided that such use will not interfere with the work on the projects or program for which it was originally acquired. First preference for other uses shall be given to other programs or projects supported by DOE. User fees should be considered if appropriate.
- The sub-grantee cannot use equipment acquired with DOE grant funds to provide services for a fee to compete unfairly with private companies that provide equivalent services. See 10 CFR 600.135(b) for details.

When acquiring replacement equipment, the sub-grantee may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property, subject to the approval by IHCDCA. See 10 CFR 600.135 for details.

808.3 Vehicle Titles

When purchasing a new vehicle with federal grant funds, the title shall list Indiana Housing and Community Development Authority (IHCDCA) as the lien holder. The title must be mailed to IHCDCA to the attention of the Weatherization Program. All titles will be held at the IHCDCA office. See 10 CFR 600 for details.

808.4 Sale of Vehicles or Equipment

In order to sell a vehicle or equipment having a fair market value greater than \$5,000.00 that was purchased with DOE funding, the sub-grantee must contact IHCD for further instructions. In order to sell a vehicle or equipment having a fair market value that is greater than \$5,000.00 that was purchased with LIHEAP funds, a sub-grantee must document the following actions before the sale.

1. Determine how your organization will sell the equipment/vehicle. This can be a public sale, a trade in with a dealer or a sale to another department of the sub-grantee.
2. Research current market value for the equipment/vehicle (ex. Kelley Blue Book, local comparable prices through dealers) Keep copies of documented values.
3. Advertise the sale of the equipment/vehicle via a public notice for at least three (3) days in a local newspaper. If possible, agencies should use all available media outlets for publication, including websites and agency publications.
4. The advertisement should include a minimum price and a reasonable time frame for offers to be accepted.
5. There should be an open bidding process with the sale going to the highest offer. All vehicle sales must have at least two documented offers, and must be sold at or above the highest offer. (If the car is up for private sale or a sale to another department of the sub-grantee because the agency feels as though a better price can be achieved through private sale than through trade-in, the sale price may not be lower than the offered trade-in value)
6. An email or letter must be written to IHCD to request the release of the title. Include in your correspondence: your intent to either trade in or sell the equipment, your process, and documentation of the offer. The letter must be signed by **the sub-grantee** Executive Director. It will take at least five (5) business days for IHCD to release the title and mail it back to the sub-grantee for the sale. (If the sale is to another department within the sub-grantee, an email to the weatherization department of IHCD can transfer the title to another IHCD department)
7. If a sale, the income from the sale is considered "Program Income" to the funding source that purchased the equipment (in most cases this will be your current LIHEAP grant). The proceeds must be recorded as income to the current grant program year and used to weatherize additional units. Follow policy manual section 403- Program Income for details.
8. If the vehicle/equipment is used as a trade-in for a replacement vehicle/equipment, the value of the trade-in is applied to the purchase price of the new replacement vehicle/equipment.

Equipment sales by non-profit entities purchased with DOE funds should follow 10 CFR 600.232 (c-e).

808.5 Disposal of Equipment and Vehicles (less than \$5,000.00) and Supplies

- Upon termination or completion of the award, the sub-grantee must compensate DOE for its share of unused inventory and supplies (including tangible, nonexpendable, personal property having a useful life of more than one (1) and having an acquisition cost of less than \$5,000.00) when the aggregate fair market value of these items exceeds \$5,000.00. This applies to residual inventory from ARRA or SERC funds of unused supplies (including tangible, nonexpendable, personal property having a useful life of more than one (1) and having an acquisition cost of less than \$5,000.00.) exceeding \$5,000.00 in total aggregate fair market value upon termination or completion of the award if the inventory and supplies are not needed for any other federally-sponsored programs or projects.
- Inventory, supplies, equipment, and vehicles purchased with ARRA, SERC, or DOE funds of any value can be used by another weatherization program (such as the DOE annual allocation or LIHEAP), in this case, the sub-grantee can transfer the supplies and equipment without further obligation to DOE or the State of Indiana. However, the sub-grantee must ensure that the tracking and accounting of the remaining inventory is in accordance with its established policies and procedures.
- If the sub-grantee is transferring to another federally funded program, outside of weatherization, within the sub-grantee's organization, the program purchasing the inventory, supplies, equipment or vehicles must compensate the program selling it at a fair market rate. Proceeds are reinvested in the weatherization program. See section 808.4 or below for sales details.
- If the sub-grantee is no longer providing weatherization services and does not have another federally-funded program to transfer the equipment, inventory, supplies, or vehicles to, regardless of whether the \$5,000.00 fair market value aggregate threshold is met, these items must be sold in a public sale and the funds returned to DOE by check written to IHCD. A second option is to return the items to IHCD without any further financial obligations.

In order to sell any tangible, nonexpendable, personal property having a useful life of more than one (1) and a fair market value less than \$5,000.00 that was purchased with LIHEAP, ARRA, DOE or SERC funds, a sub-grantee must document the following actions before the sale.

1. Inventory the supplies/equipment the sub-grantee wants to sell.
2. Set up the sale as a public sale.
3. Research current market value for the supplies/equipment. Keep copies of documented values such as website catalog prices, quotes from suppliers, etc.
4. This must be a public sale.
5. Advertise the sale of the supplies/equipment via a public notice for at least three (3) days in a local newspaper.
6. There should be a closed bidding process with the sale going to the highest offer. All sales must have two documented offers and must be sold at or above the highest offer.
7. The advertisement should include a minimum price per item and a reasonable time frame for offers to be accepted.

8. If a sale, the income from the sale is considered “Program Income” to the funding source that purchased the supplies/equipment. If these supplies/equipment were purchase with ARRA or SERC the proceeds, must be recorded as income to the current DOE annual allocation grant program year and used to weatherize additional units. Follow policy manual section 403- Program Income for details.
9. Only supplies purchased and reimbursed with ARRA funds need to be sold. If purchased with sub-grantee funds, supplies can be transferred to the DOE or LIHEAP weatherization program without further documentation.

Supplies sales by non-profit entities purchased with DOE or ARRA funds should follow 10 CFR 600.135.

808.6 Rental of Vehicles, Equipment and Supplies

Rental of vehicles or equipment to other sub-grantee departments, other nonprofits or a for-profit entity is only allowable if the sub-grantee continues to use the item at least twenty-five percent (25%) or more of the time for the current weatherization grant programs.

If supplies, equipment or vehicles are being rented, the following must be documented in your files for future monitoring:

1. A rental fee can be charged for the use of supplies, equipment, and vehicles purchased with LIHEAP funds. Any income received must be recorded as program income.
2. The allowable rental fee charged may not be less than private companies charge for equivalent services. See 10 CFR 600 (600.134 (b) Equipment).
3. Documentation of comparable rental rates must be secured from at least two sources prior to establishing a rental rate for supplies, equipment, or vehicles. If two market rates cannot be found, a rate can be set based on the cost of the equipment and the useful life of the equipment including maintenance costs. File documentation must contain the two documented comparable market rental rates or rental rate calculation and accounting detail for the rate charged, department or entity paying the rental and rental payments received and applied to Program Income.

809 BID PROCEDURE FOR EQUIPMENT PURCHASES

Weatherization specific equipment with a unit cost of greater than \$5,000.00, such as vehicles, may be purchased with the LIHEAP Equipment line item. Equipment requires prior written approval from IHCDCA before the purchase is made. All requests must follow IHCDCA bid procedure to be considered for approval. See section 808 Vehicle and Equipment sales or rental procedures.

Bid procedure:

1. Bid Specifications
 - Write specifics for the item you are requesting to purchase – make, model, features, year, new/used, etc.
 - Specifications should be specific to the organization's needs but not so specific as to pin point an already selected item.
2. Solicit Bids
 - Mail, email or deliver bid specifications to local dealers or companies to solicit bids
 - A minimum of three bids must be solicited and submitted.
 - If you do not receive three bids or the bids did not meet the specifications, bids may be selected based on a similar make and model. This is only true for unique items.
3. Bid Selection
 - Review and select a bid that meets your bid specifications.
 - If this bid is not the lowest bid, please specify why it was chosen.
 - Priority should be given to bids meeting the specific bid description.
4. Requesting approval from IHCDCA
 - Mail or email a letter with an authorized signature to the IHCDCA **Community Programs Manager**.
 - The letter should describe your bid process, your selected bid and the reason for your choice.
 - Attachments should include your bid specification, a list of companies or dealers solicited and three bids meeting your specifications.
5. IHCDCA Approval
 - If your request is complete, a letter will be sent via email approving your purchase.
 - Incomplete requests will delay approval and may require rebidding for valid bids.
 - IHCDCA will respond within five business days with questions or approval.

DOE issued a Procurement Tool Kit in 2009 and updated it in 2012 that provides templates, checklists and guidance for procurement of weatherization materials and services. To download the DOE Procurement Tool Kit or documents, see IHCDCA's website at <http://www.in.gov/ihcda/2523.htm>

810 INDIANA WEATHERIZATION ASSISTANCE PROGRAM DATABASE (IWAP)

The Indiana Weatherization Assistance Program Database (IWAP) was created by Roeing Corporation specifically for Indiana's weatherization program. Data is recorded in the system for many aspects of the program including:

- Unit Completions – client info, job info, job costs, measures, contractors
- Wait Lists

As a result of this data input, reports can be generated for each funding source daily, monthly, quarterly and lifetime of the grant. These reports can be used by IHEDA staff and monitors to review progress and for compliance. Questions or problems concerning the database should be directed to IHEDA staff and may be referred to Roeing.

IWAP is a web-based database and can be accessed at the following link:

<https://ihedaonline.com/wap/IWAPlogin.aspx> Below are details on the use of IWAP. This is arranged based on the order a sub-grantee will use the system with a new client.

810.1 Administrator Privileges

All sub-grantees are given an original log on and at least one person is assigned as the Supervisor for each sub-grantee. The sub-grantee Supervisor has the ability to add, delete and modify access for the sub-grantee's employees. This is completed under Main Menu items "System Utilities" and "Maintain Users". New users are added at the bottom and current users can be updated by clicking their name. Only 1-2 people should have supervisor rights per sub-grantee. Most people will need Report rights and Edit rights if they update files. Employees with these rights will have several grayed out fields that only a Supervisor can view or update. If the individual identified as the agency Supervisor leaves, the replacement Supervisor will need to contact the **Community Programs Manager** in order to assign permissions.

The IWAP database is linked to the EAP RIAA database. In order to delete an employee, their IWAP rights must be removed and possibly their RIAA rights. If you are unable to remove an employee's access completely in IWAP, contact your EAP RIAA Supervisor at your agency to also remove their RIAA access. Once the RIAA access is removed, you should be able to remove all IWAP rights.

A new right has been added for the Ad Hoc Reporting. If an employee will be using the Ad Hoc Reporting portion of IWAP, click on the employee's name, add a check to the Ad Hoc Reporting box and have them log back into IWAP to access the new Ad Hoc Reporting.

810.2 Wait List (Main Menu Item)

"Wait List" is the last menu item in IWAP. This will access all your agency's eligible clients and provide detailed information about the client based on their Energy Assistance Program (EAP)

application. IHCDAs recommends continuing the use of the Wait list in order to connect with the EAP RIAA database and help Weatherization pull the most recently approved EAP application. It is also helpful that all the data entered in RIAA will flow into the new IWAP client record and avoid double entry.

Clients will be ordered based on their Matrix points determined by EAP. The highest number client (16) should be your first priority and working down the numbers. See IHCDAs Program Guidance AR-009-004 – Wait List.

Below is a quick guide to using the Wait List:

- The initial list is those clients who qualify in your service area order by Matrix points.
- Only one wait list exists for DOE at this time.
- After your list is pulled, you can review a specific client by clicking their name. More detail about the client, comments from previous contacts and the most current EAP application will be listed.
- When you have identified a specific client and are ready to contact them, click “Add to Wait List”.
- Each contact you make with the client should be recorded in the comment section and dated.
- When you are ready to serve this client, click on “Import into IWAP”. This will create a new client file in IWAP and import the client’s information. Note that a new “Application Key” will be created in IWAP.
- A client is on your wait list for up to 60 days. If no comments are recorded, the client will roll back into the master list.
- If another sub-grantee has already pulled a client on to their wait list, the sub-grantee will be listed in pink. This is necessary to avoid duplications.

810.3 Completions (Current Clients – Main Menu Item)

A completion requires many steps before the sub-grantee receives a completed unit for a program. You can create a new client record in the two methods below. The first method is preferred if possible.

1. A new client file is started when you IMPORT a client from the IWAP Wait List.
 - Data is transferred over is based on their EAP application.
 - This will also remove the client from the IWAP wait list and avoid duplication of services by multiple sub-grantees who serve a county.
2. If a client did not come through the EAP program (ie 150%-200% of poverty qualification) then a new client file can be created in “Current Clients”.

A completed unit will be recorded after you have worked through following steps/menu items:

1. Application - This is the Client Information that comes from the EAP file and from the initial audit. This page must be completed before moving forward.

2. Job Information – This information comes from the initial audit.
4. Job Costs – identify the labor and material costs for the house/unit for both Base Program Operations and Health and Safety budget line items. The following other items can be entered on this page: Overhead costs, Funding Source, and dates for the Final Inspection, Invoice and Completion.
5. Measures – click off measures completed in the unit.
6. Close Out – when the record is complete, click on the close out menu. Close the record to indicate a completion is ready to be reported to DOE.

IHCDA Program Guidance WX-10-02 dated February 18, 2011 has placed new restrictions on completions. See Section 309

810.4 Current and Historical Clients (Main Menu Items)

All Current Clients can be pulled up under this menu tab. The easiest method is by IWAP Application Key (which is different than the Wait List Application Key) but name and address can also be used.

All Historical Clients are archived clients from closed programs. These client files are all locked and are for viewing only. A client completed more than 18 months ago will appear in the Historical Client list.

810.5 Reports (Main Menu Item)

A variety of reports can be pulled by the sub-grantee and IHCDA staff, monitors and contract compliance companies.

- Quarterly Reports by funding source is the most useful report for the sub-grantee. This report needs to be checked for accuracy prior to submitting a funding source Close-Out Form (*section 404*). IHCDA will compare this data to your Close-Out Reports to calculate average cost per home. Additionally, detailed demographics are summarized and used by IHCDA for DOE monthly and quarterly reporting.
- Client Completion List will pull a completed client list per county or date range.

810.6 Refrigerator Calc (Main Menu Item)

This page is used to calculate refrigerator replacement costs administered by the utility companies. INCAA administers this program and any problems with the program or the need to unlock a refrigerator record should be directed to Dan Phillips at INCAA 800-382-9895. This section will only be available if utility companies renew the program for 2014.

810.7 Client Record Unlock

If it is necessary to unlock a locked client record, please contact IHCD's **Community Programs Manager or Community Programs Analyst** for permission. You can request permission by email. Please include the client name, application key and the reason the record needs to be unlocked. Once a record is unlocked, it will remain open 24 hours for editing. The record will automatically lock at the end of the 24 hour period. If a funding program is closed out, the record may not be accessible due to recording and reporting of data to Federal funding sources such as the Dept. of Energy. If a refrigerator record needs to be unlocked, contact INCAA at 1.800-382.9898.

811 IHCDOnline.com

All claims and reporting requirements on IHCDOnline.com are detailed in *Section 408* and *Appendix E*.

812 HISTORIC AND ENVIRONMENTAL REVIEWS

Weatherization activities funded by DOE and LIHEAP are only subject to Environmental and Historic Review processes if they fall outside of the scope of the agreement established between IHCD and the State Historic Preservation Office.

Work in the Weatherization Deferral Repair Program requires Historic and/or Environmental Reviews. See guidelines for the Deferral Repair Program in *Section 505*.

Questions concerning the review process should be directed to IHCD's Environmental Officer Adrienne Schmetzer at aschmetzer@ihcda.in.gov or on the IHCD website <http://www.in.gov/myihcda/2401.htm#SIP>